



Office of the Governor of Guam

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Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

OCT 02 2008

2008 OCT -8 AM 11:36
Pamall

Honorable Judi P. Won Pat, Ed.D.
Speaker
I Mina' Bente Nuebi Na Liheslaturan Guåhan
155 Hesler Place
Hagåtña, Guam 96910

Dear Speaker Won Pat:

Please find attached **Bill No. 207 (LS), "AN ACT MAKING APPROPRIATIONS FOR THE OPERATIONS OF THE EXECUTIVE, LEGISLATIVE AND JUDICIAL BRANCHES OF THE GOVERNMENT OF GUAM FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2009, MAKING OTHER APPROPRIATIONS, AND ESTABLISHING MISCELLANEOUS AND ADMINISTRATIVE PROVISIONS,"** which I have signed into law as Public Law 29-113.

Although Bill 207 has been signed into law, we have a number of concerns. Notwithstanding that these same concerns were voiced during the budgetary process by our fiscal policy team, we are mindful of the consequence of a veto and the crippling potential of a government shut down.

We have concluded that signing Bill 207 into law, absent the time required for a thorough analysis, would be in the best interest of the people of Guam.

Moving forward, we will continue our in depth analysis of the budget and determine its full implications reserving the real possibility of a need to revisit some of the agency allocations later in the fiscal year.

Sinseru yan Magåhet,

MICHAEL W. CRUZ, M.D.
I Maga'låhen Guåhan Para Pa'go
Acting Governor of Guam

Attachment: copy of Bill

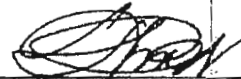
cc: The Honorable Tina Rose Muna Barnes
Senator and Legislative Secretary

29-08-0732
Office of the Speaker
Judi T. Won Pat, Ed.D.
Date: 70/02/08
5:30

I MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN
2008 (SECOND) Regular Session

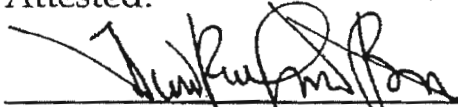
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that **Substitute Bill No. 207(LS), "AN ACT MAKING APPROPRIATIONS FOR THE OPERATIONS OF THE EXECUTIVE, LEGISLATIVE AND JUDICIAL BRANCHES OF THE GOVERNMENT OF GUAM FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2009, MAKING OTHER APPROPRIATIONS, AND ESTABLISHING MISCELLANEOUS AND ADMINISTRATIVE PROVISIONS"**, was on the 30th day of September, 2008, duly and regularly passed.



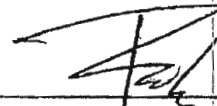
Judith T. Won Pat, Ed. D.
Speaker

Attested:



Tina Rose Muña Barnes
Senator and Secretary of the Legislature

This Act was received by I Maga'lāhen Guāhan this 30th day of Sept., 2008, at
9:57 o'clock P.M.



Assistant Staff Officer
Maga'lāhi's Office

APPROVED:



MIKE W. CRUZ, MD
GOVERNOR OF GUAM ACTING

Date:

30 SEP 2008

Public Law No. 29-113

I MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN
2008 (SECOND) Regular Session

Bill No. 207(LS)

As substituted by the Committee on
Finance, Taxation, Commerce and Economic Development;
and amended in the Committee of the Whole;
and further substituted; and amended by the Committee of the Whole;
reconsidered; and further substituted on the floor.

Introduced by:

Committee on Calendar

By request of *I Maga'lahaen Guåhan*, in
accordance with the Organic Act of
Guam.

**AN ACT MAKING APPROPRIATIONS FOR THE OPERATIONS
OF THE EXECUTIVE, LEGISLATIVE AND JUDICIAL
BRANCHES OF THE GOVERNMENT OF GUAM FOR THE
FISCAL YEAR ENDING SEPTEMBER 30, 2009, MAKING
OTHER APPROPRIATIONS, AND ESTABLISHING
MISCELLANEOUS AND ADMINISTRATIVE PROVISIONS.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

CHAPTER I

GENERAL PROVISIONS

Section 1. Short Title. This Act *shall* be known as the “*General Appropriations Act of 2009*”. *Except* as otherwise provided by this Act, the appropriations made by this Act *shall* be available to pay for obligations incurred on or after October 1, 2008, but *no later than* September 30, 2009. *If* any appropriation in this Act is found contrary to federal law, all other portions of this Act *shall* remain valid.

1 **Section 2. Estimated Revenues for Fiscal Year 2009.** *I Liheslaturan*
2 *Guåhan*, the Guam Legislature, adopts the following revenue estimates for Fiscal
3 Year 2009 as the basis for the appropriations contained in this Act.

4 **I. GENERAL FUND REVENUES** **AMOUNT**

5 **A. TAXES**

Income Tax	
Corporate	\$104,039,979
Individual	\$77,505,105
Withholding Taxes, Interest and Penalties	\$174,329,231
Provision for Tax Refund	(\$88,600,000)

TOTAL INCOME TAXES	\$267,274,315
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Business Privilege Tax	\$196,131,262
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Other Taxes	\$1,468,543
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TOTAL TAXES	\$464,874,120
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B. FEDERAL SOURCES	\$48,351,222
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Federal Income Tax Collection (Section 30 Funds);

Immigration Fees and Indirect Cost

C. USE OF MONEY AND PROPERTY	\$3,293,486
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D. LICENSES, FEES AND PERMITS	\$3,248,507
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E. DEPARTMENT CHARGES	<u>\$954,462</u>
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TOTAL GENERAL FUND REVENUE	\$520,721,797
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22 **II. SPECIAL FUND REVENUES APPROPRIATED IN THIS ACT**

A. Air Pollution Control Special Fund	\$271,889
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B. Better Public Service Fund	\$998,313
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C. Chamorro Land Trust Operations Fund	\$500,301
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D. Corrections Revolving Fund	\$1,430,973
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1	E.	Customs, Agriculture and Quarantine	
2		Inspection Services Fund	\$8,264,713
3	F.	Enhanced 911 Emergency Reporting System Fund	\$1,442,920
4	G.	Environmental Health Fund	\$530,619
5	H.	Fire, Life and Medical Emergency Fund	\$1,347,140
6	I.	Guam Contractors License Board Fund	\$574,205
7	J.	Guam Environmental Trust Fund	\$218,233
8	K.	Guam Highway Fund	\$18,957,811
9	L.	Guam Plant Inspection and Permit Fund	\$68,022
10	M.	Healthy Futures Fund	\$9,023,505
11	N.	Land Survey Revolving Fund	\$2,858,202
12	O.	Manpower Development Fund	\$1,259,000
13	P.	Police Services Fund	\$813,298
14	Q.	Professional Engineers, Architects and Land	
15		Surveyors Board Fund	\$246,250
16	R.	Public Recreation Services Fund	\$207,941
17	S.	Safe Streets Fund	\$236,000
18	T.	School Lunch/SAE/Child Nutritional Meal	
19		Reimbursement Fund	\$7,500,000
20	U.	Solid Waste Operations Fund	\$6,171,435
21	V.	Street Light Fund	\$3,278,266
22	W.	Territorial Education Facilities Fund	\$20,157,096
23	X.	Tourist Attraction Fund	\$21,500,000
24	Y.	Water Protection Fund	\$73,561
25	Z.	Water Research and Development Fund	\$78,048
26		TOTAL SPECIAL FUND REVENUE	\$108,007,741

1	III. FEDERAL MATCHING GRANTS-IN-AID REVENUES	
2	Federal Grants-In-Aid Requiring Local Match:	
3	A. Administration (GMTA)	\$928,738
4	B. Agriculture	\$455,600
5	C. Attorney General	\$3,254,724
6	D. Guam Council on the Arts and Humanities Agency	\$240,500
7	E. Guam Police	\$740,911
8	F. Integrated Services for Individuals with Disabilities	\$2,052,208
9	G. Judiciary of Guam	\$545,825
10	H. Labor	\$35,000
11	I. Military Affairs	\$1,055,955
12	J. Public Health and Social Services	\$23,298,212
13	K. University of Guam	<u>\$1,508,000</u>
14	TOTAL FEDERAL MATCHING GRANTS-IN-AID	
15	REVENUE	\$34,115,673
16	IV. OTHER SOURCES OF FUNDING	
17	A. Health Securities Trust Fund, Series 2001B (Interest)	\$340,094
18	B. GCC Endowment Fund, Series 2001B (Interest)	<u>\$66,847</u>
19	TOTAL OTHER SOURCES OF FUNDING	\$406,941
20	REVENUE SUMMARY:	
21	TOTAL GENERAL FUND REVENUE	\$520,721,797
22	TOTAL SPECIAL FUND REVENUE	\$108,007,741
23	TOTAL FEDERAL MATCHING GRANTS-IN-AID	
24	REVENUE	\$34,115,673
25	TOTAL OTHER SOURCES OF FUNDING	<u>\$406,941</u>
26	GRAND TOTAL	\$663,252,152

1	(Tumon Redevelopment; payment from the Tourist	
2	Attraction Fund, pursuant to P.L. 24-111)	\$7,221,751 5/
3	5/ Tourist Attraction Fund	
4	F. 2008 SHORT TERM FINANCING	
5	(Line of Credit; P.L. 29-69 amended by P.L. 29-82 &	
6	P.L. 29-87; due 2012 as the final year; source of payment	
7	General Fund, secondary Section 30 funds)	\$4,197,474 6/
8	6/ General Fund	
9	G. GENERAL OBLIGATION BONDS, SERIES 2007 A	
10	(Refunding of the GOB, 1993 Series A, funding capital	
11	projects and certain obligations of the Government of	
12	Guam; due FY 2037 as final year; P.L. 29-19, and P.L.	
13	29-21)	\$7,874,700 7/
14	7/ Territorial Education Facilities Fund	
15	GRAND TOTAL	\$38,836,584

1 **CHAPTER II**

2 **Part I – GUAM PUBLIC SCHOOL SYSTEM**

3 **Section 1. Appropriations to the Guam Public School System for Fiscal**
4 **Year 2009.** The amounts in the subsections below, totaling One Hundred Eighty-nine
5 Million Seven Hundred Fifty-three Thousand Seven Hundred Seventy-one Dollars
6 **(\$189,753,771)**, are from the following Funds, and for the following purposes, to the
7 Guam Public School System for Fiscal Year 2009:

8 **(a) Guam Public School System Operations Fund Appropriation.**

9 Pursuant to §§52101 and 52102 of Chapter 52, Division 2 of Title 11 Guam
10 Code Annotated, the sum of One Hundred Sixty-nine Million Five Hundred
11 Sixteen Thousand Six Hundred Ninety Dollars **(\$169,516,690)** is appropriated
12 from the General Fund and the sum of Nine Million Eight Hundred Seventy-
13 five Thousand Seven Hundred Five Dollars **(\$9,875,705)** is appropriated from
14 the Territorial Education Facilities Fund to the Guam Public School System
15 Operations Fund for Fiscal Year 2009. This appropriation *shall* be expended in
16 accordance with the cash disbursement schedules required by §52101(b).

17 **(b) Interscholastic Sports Fund.** The sum of Four Hundred Twenty-
18 six Thousand Five Hundred Eighty-one Dollars **(\$426,581)** is appropriated from
19 the Healthy Futures Fund to the Interscholastic Sports Fund administered by the
20 Guam Public School System to be expended pursuant to Title 17 GCA §7108.

21 **(c) Health and Physical Education Activities.** The sum of Two
22 Hundred Seventy-one Thousand Seven Hundred Fifty-four Dollars **(\$271,754)**
23 is appropriated from the Healthy Futures Fund to the Guam Public School
24 System for Health and Physical Education programs, intramural sports, and
25 similar activities.

1 **(d) Office of the Education *Suruhanu*.** The sum of One Hundred
2 Six-three Thousand Forty-one Dollars (**\$163,041**) is appropriated from the
3 General Fund to the Office of the Education *Suruhanu* for its operations in
4 Fiscal Year 2009.

5 **(e) School Nutritional Meals.** The sum of Seven Million Five
6 Hundred Thousand Dollars (**\$7,500,000**) is appropriated from the School
7 Lunch/SAE/Child Nutritional Meal Reimbursement Fund to the Guam Public
8 School System for non-personnel operating expenses incurred pursuant to the
9 guidelines established for said programs.

10 **(f) Summer School.** From the Summer School Fund established
11 pursuant to §6119 of Article 1 of Chapter 6 of Division 1 of Title 17 Guam
12 Code Annotated, such sums as are necessary to fund the operations of the 2009
13 Summer School Program are appropriated to the Guam Public School System.
14 The Superintendent of Education *shall* submit a detailed report to *I Maga'lahren*
15 *Guåhan* and the Speaker of *I Liheslaturan Guåhan* regarding the receipt and
16 expenditure of said funds *no later than* thirty (30) days after the close of
17 summer school and post the same on the GPSS website. Such report *shall*
18 include the following:

- 19 (1) total revenues received, including identification of
20 each revenue source;
21 (2) total expenditures and encumbrances by object
22 classification and by school; and
23 (3) the fund balance.

24 **(g) Textbooks and Collateral Materials.** The following are
25 appropriations to the Guam Public School System for the purchase of

1 textbooks, e-book readers and collateral materials, to include software, sheet
2 music and music books, in accordance with the following terms and conditions:

3 (1) The sum of Two Million Dollars (\$2,000,000) is appropriated from
4 the General Fund from Fiscal Year 2010 revenues to the Guam Public
5 School System for the purchase of textbooks, e-book readers and related
6 classroom instructional materials, to include software, sheet music and
7 music books. The Superintendent may, *if necessary*, through agreements
8 with textbook vendors, defer payment for said materials until *after*
9 October 1, 2009, but *no later than* December 31, 2009, with the full faith
10 and credit of the government of Guam.

11 (2) The Superintendent of the Guam Public School System *shall* order
12 materials funded by this Section for Fiscal Year 2010 *no later than*
13 March 1, 2009. The Bureau of Budget and Management Research *shall*
14 release such allotments as are necessary to ensure that said materials are
15 ordered by March 1, 2009. The Superintendent *shall* receive said
16 materials and distribute them to schools *no later than* thirty (30) days
17 before the start of the school calendar established pursuant to Title 17
18 Guam Code Annotated §4111. All funds appropriated for said materials
19 *shall not* be used for any other purpose.

20 (3) On the first (1st) day of each fiscal quarter of FY 2009, the
21 Superintendent of Education *shall* provide to *I Maga'lahaen Guåhan* and
22 the Speaker of *I Liheslaturan Guåhan*, and post on the GPSS website, a
23 detailed report regarding all receipts and expenditures for textbooks, e-
24 book readers and collateral classroom instructional materials, to include
25 software, sheet music and music books. Said report *shall* be
26 accompanied by the certified list of textbooks approved by the Guam

1 Education Policy Board and all purchase orders issued. The report *shall*
2 summarize:

3 (A) purchases by allotment account number, unit cost and the
4 total cost of books charged against an appropriation account, the
5 vendor, quantity, title, copyright date and ISBN number of books
6 ordered, the allocation of such books by school and grade, whether
7 books are for teachers or students, and whether books are
8 textbooks *or* e-books;

9 (B) the number of textbooks and e-book readers lost *or*
10 damaged, the amounts collected for such lost *or* damaged items
11 and the amount of receivables due for such lost *or* damaged items
12 for the preceding fiscal year and the current fiscal year by month;
13 and

14 (C) other information that may be useful *or* that is requested by *I*
15 *Liheslaturan Guåhan* regarding the funds appropriated and
16 authorized herein.

17 Non-compliance with these reporting requirements by the Superintendent
18 of Education *shall* result in the sanctions and penalties imposed by this Act.

19 **Section 2. Website Posting.** The Superintendent of Education *shall* post
20 and maintain on the GPSS website:

21 (a) (1) All payments for prior year obligations to be paid by current
22 appropriations when authorized, including the funding source to be
23 used.

24 (2) Salary adjustments by position, effective date of adjustment and
25 the funding source for each, by month.

26 (b) Mandated Cash Disbursement Schedules.

- 1 (c) Number of filled FTEs, costs and funding sources by school and
- 2 division by month.
- 3 (d) Number of funded vacant FTEs, costs, lapses generated and the
- 4 funding source for each vacancy by school and division by month.

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Section 1. Appropriations to the University of Guam. The amounts in the subsections below, totaling Thirty-three Million Twenty-two Thousand Dollars (\$33,022,000), are from the following Funds, and for the following purposes, to the University of Guam for Fiscal Year 2009:

(b) **Federal Matching Grants-in-Aid.** The sum of One Million Five Hundred Eight Thousand Dollars (\$1,508,000) is authorized from Federal Matching Grants-in-Aid to the University of Guam for its operations in Fiscal Year 2009.

(c) **Scholarships and Training Programs.** The following appropriations are made to the University of Guam:

12

1 **(2) Dr. Antonio C. Yamashita Educator Corps.** The sum of
2 One Million Two Hundred Thirty-eight Thousand One Hundred Twenty-
3 seven Dollars (**\$1,238,127**) is appropriated from the General Fund to the
4 University of Guam for Fiscal Year 2009. The President of the University
5 of Guam *shall* disburse, pursuant to the directives and policies of the
6 Educator Corps Council, stipends for the Dr. Antonio C. Yamashita
7 Educator Corps and funds for the administration of said program
8 pursuant to Title 17 GCA, Chapter 18 and §15107 of Title 17 of the
9 Guam Code Annotated, as *amended*.

10 The President of the University of Guam *shall* post on the University of
11 Guam's website all reports mandated by this Act regarding the Dr.
12 Antonio C. Yamashita Educator Corps.

13 **(d) Aquaculture Development and Training Center.** The sum of
14 One Hundred Thirty-one Thousand Eight Hundred Forty-six Dollars (**\$131,846**)
15 is appropriated from the General Fund to the University of Guam for the *sole*
16 purpose of funding the continued operations of the Aquaculture Development
17 and Training Center. Said funds *shall not* be transferred *or* used for any other
18 purpose.

19 **(e) Guam Hydrologic Survey.** The sum of One Hundred Ninety-
20 Two Thousand Three Hundred Seven Dollars (**\$192,307**) is appropriated from
21 the General Fund to the UOG for the *sole* purpose of funding the Guam
22 Hydrologic Survey (GHS) administered by the Water and Environmental
23 Research Institute of the Western Pacific (WERI). WERI *shall* continue to
24 administer the GHS for those purposes previously established by Guam law.
25 Such funds *shall not* be transferred *or* used for any other purpose.

1 **(f) Comprehensive Water Resource Monitoring Program.** The
2 sum of One Hundred Sixty-three Thousand Eight Hundred Seventeen Dollars
3 **(\$163,817)** is appropriated for Fiscal Year 2009 from the General Fund to the
4 University of Guam (UOG) to fund the Water and Environmental Research
5 Institute of the Western Pacific (WERI). Such funds *shall* be used for the *sole*
6 purpose of matching the Federal funding for the Comprehensive Water
7 Resource Monitoring Program. WERI *shall* continue to administer the
8 Comprehensive Water Resource Monitoring Program for those purposes
9 previously established by Guam law. Such funds *shall not* be transferred *or*
10 used for any other purpose.

11 **(g) Soil and Water Conservation District Programs.** The sum of
12 One Hundred Fifty-seven Thousand Seven Hundred Twenty Dollars **(\$157,720)**
13 is appropriated from the General Fund to the University of Guam for the
14 operations and activities of the Northern and Southern Soil and Water
15 Conservation District (SWCD) Programs for FY 2009 and *shall* be equally
16 divided between the Northern and Southern Soil and Water Conservation
17 Districts. Expenditures from this appropriation *shall* be made upon the
18 approval of the District Directors, with consent of the SWCD board. This
19 appropriation is *not* subject to transfer or use for any other purpose.

20 **(h) KPRG (Public Radio).** The sum of Ninety-four Thousand One
21 Hundred Seventy-six Dollars **(\$94,176)** is appropriated from the General Fund
22 to the University of Guam for KPRG (Public Radio) operations. The President
23 of the University of Guam *shall* disburse the funds to KPRG.

24 *No later than thirty (30) days after the close of each fiscal quarter of FY*
25 *2009, the General Manager of KPRG shall submit to the President of the*

University of Guam, and post on KPRG's website, all reports mandated by this Act.

Section 2. Program Revenue and Expenditure Reports. *No later than thirty (30) days after the end of each fiscal quarter, the President of the University of Guam shall post on the University of Guam's website and submit to I Maga'lāhen Guåhan and the Speaker of I Liheslaturan Guåhan quarterly revenue and expenditure reports for the Aquaculture Development and Training Center, WERI Guam Hydrologic Survey, WERI Comprehensive Water Resource Monitoring Program, Northern and Southern Soil and Water Conservation District Programs, and KPRG. Said reports shall be in the format of basic financial statements or such format as may be prescribed by I Liheslaturan Guåhan.*

Section 3. Program Annual Reports. The President of the University of Guam shall post on the University of Guam's website and shall submit to I Maga'lāhen Guåhan and the Speaker of I Liheslaturan Guåhan annual reports for: Aquaculture Development and Training Center, WERI Guam Hydrologic Survey, WERI Comprehensive Water Resource Monitoring Program, Northern and Southern Soil and Water Conservation District Programs and KPRG. At a minimum, said reports shall include: program mission statements, objectives, sources of revenue, expenditures by budget classification, number of employees, contracts, and shall describe program accomplishments in the fiscal year reported.

Section 4. Scholarships, Financial Assistance and other Reports. Beginning in Fiscal Year 2009, sixty (60) days after the end of Fiscal Year 2008, the President of the University of Guam shall submit to I Maga'lāhen Guåhan and the Speaker of I Liheslaturan Guåhan, and post on the University of Guam's website, a report of expenditures from appropriations made in this Act for student scholarships, student financial assistance, the Dr. Antonio C. Yamashita Educator Corps, and the

1 Educator Corps Council. Said report *shall* include each program's name, the number
2 of scholarships *or* loans issued by each program, the date the scholarship *or* loan was
3 awarded, the anticipated date of cohort graduation, the total amount of awards *or*
4 loans, the total amount of loans repaid to date, the balance of the outstanding awards
5 *or* loans, the amount of collections to date for outstanding loans and repayments due,
6 the number of awards for each field of study, and the number of recipients working to
7 complete their academic and financial obligations.

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1 (e) **GCC Endowment Fund Series 2001B.** The sum of Sixty-six
2 Thousand Eight Hundred Forty-seven Thousand Dollars (**\$66,847**) is
3 appropriated from the interest earned on the GCC Endowment Fund Series
4 2001B, to the Guam Community College for capital improvement projects.

5 (f) the Guam Community college is authorized to expend revenues
6 collected in excess of the adopted revenues for the manpower Development
7 Fund in Fiscal Year 2008 pursuant to §71720(b) of Title 22, Guam Code
8 Annotated.

9 **Section 2.** Beginning in Fiscal Year 2009, the President of the Guam
10 Community College *shall* submit quarterly reports to *I Maga'lahren Guåhan* and the
11 Speaker of *I Liheslaturan Guåhan* thirty (30) days after the end of each fiscal quarter
12 and post said report on the Guam Community College's website. Said reports *shall*
13 include, but *are not limited to*, the number of participants in each GCC program, the
14 amounts expended from appropriations in this Act by object classification, a
15 description of each program, the academic courses offered, and the requirements for
16 participation in each program.

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Part IV – MISCELLANEOUS EDUCATIONAL PROVISIONS

Section 1. Purchasing In Economies of Scale. All agencies receiving

Section 2. Local Funds Reimbursement. Funds appropriated to the Guam

Section 3. Continuing Appropriation. The appropriations made to the

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PART I – DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES

Section 1. Appropriations to Department of Public Health and Social Services.

(a) **Public Assistance Program Payments.** The sum of Two Million Hundred Twenty Thousand Seven Hundred Forty-eight Dollars (\$2,074,748) is appropriated from the General Fund and Two Million Four Hundred Eighty-three Thousand Six Hundred Thirty-one Dollars (\$2,483,631) authorized from Federal Matching Grants-In-Aid to the Department of Public Health and Social Services for Public Assistance Program payments and administration.

(b) **Medically Indigent Program.** The sum of Fifteen Million Eight Hundred Twenty-Two Thousand Nine Hundred Seven Dollars (**\$15,822,907**) is appropriated from the General Fund to the Medically Indigent Program Revolving Fund (MIPPR) for the Medically Indigent Program (MIP).

(c) **Medicaid Program.** The sum of Twelve Million One Hundred nine Thousand Fifty-five Dollars (**\$12,159,055**) is appropriated from the General Fund for the local match requirement of the Medicaid Program and Ten Million Three Hundred Thirty-four Thousand Two Hundred Dollars (**\$10,334,200**) is authorized from Federal Matching Grants-In-Aid to the Department of Public Health and Social Services for said purpose.

(d) **Medicines for the Community Health Centers.** The sum of Two Hundred Eighty-two Thousand Five Hundred Twenty-eight Dollars (**\$282,528**) appropriated from the General Fund to the Department of Public Health and Services' Community Health Centers for the purchase of medicines.

1 **(e) Enhanced Allotment Plan.** The sum of Four Hundred Forty-two
2 Thousand Three Hundred Forty-seven Dollars (**\$442,347**) is appropriated from
3 the General Fund to the Department of Public Health and Social Services for
4 the Enhanced Allotment Plan (Medicaid Part D).

5 **Section 2. Department of Public Health and Social Services Carry-Over**
6 **Authorization.** The unexpended balance of appropriations from the General Fund
7 and Special Funds to the Department of Public Health and Social Services for the
8 Fiscal Year 2008 *shall not* revert to the General Fund and *shall* be available until fully
9 expended for the original purposes of said appropriations. The Director of DPHSS
10 *shall* submit a report to the Speaker of *I Liheslaturan Guåhan* regarding the
11 allocation, demographics and expenditures of the appropriations contained herein *no*
12 *later than* thirty (30) days after the end of each quarter and post the same on DPHSS's
13 website. The Director of Administration *shall* pay MIP and Medicaid vendors on a
14 first in – first out basis.

1 **CHAPTER III**

2 **Part II – GUAM MEMORIAL HOSPITAL AUTHORITY**

3 **Section 1. Guam Memorial Hospital Authority Pharmaceuticals Fund**

4 **Appropriation.** Pursuant to §§26208 and 26208.1 of Chapter 26, Division 2 of Title
5 11, Guam Code Annotated, the sum of Twelve Million One Hundred Forty Thousand
6 Five Hundred Twenty-five Dollars (**\$12,140,525**) is appropriated from the General
7 Fund to the Guam Memorial Hospital Authority Pharmaceuticals Fund for Fiscal Year
8 2009.

9 **Section 2. Health Securities Trust Fund, Series 2001B.** The sum of Three
10 Hundred Forty Thousand Ninety-four Dollars (**\$340,094**) is appropriated from the
11 interest earned on the Government of Guam Health Securities Trust Fund, Series
12 2001B, to the Guam Memorial Hospital Authority for Fiscal Year 2009.

1 **CHAPTER III**

2 **Part III – GUAM ENVIRONMENTAL PROTECTION AGENCY**

3 **Section 1. Guam Environmental Protection Agency Appropriations. (a)**

4 **Air Pollution Control Special Fund.** The sum of Two Hundred Seventy-one
5 Thousand Eight Hundred Eighty-nine Dollars (**\$271,889**) is appropriated from the Air
6 Pollution Control Special Fund (Title 10 GCA §49107(f)) to the Guam Environmental
7 Protection Agency for Fiscal Year 2009 for equipment, supplies, utilities,
8 miscellaneous expenses, contractual services, and capital outlay. This appropriation
9 *shall not* lapse and *shall* apply to all operations of the Agency.

10 **(b) Guam Environmental Trust Fund.** The sum of Two Hundred Eighteen
11 Thousand Two Hundred Thirty-three Dollars (**\$218,233**) is appropriated from the
12 Guam Environmental Trust Fund (Title 10 GCA, Chapter 45, §45200) for Fiscal Year
13 2009 to the Guam Environmental Protection Agency for contractual services,
14 equipment, miscellaneous expenses and capital outlay.

15 **(c) Water Research and Development Fund.** The sum of Seventy-eight
16 Thousand Forty-eight Dollars (**\$78,048**) is appropriated from the Water Research and
17 Development Fund (Title 10 GCA Chapter 46, §46116) to the Guam Environmental
18 Protection Agency for Fiscal Year 2009 for contractual services, supplies, equipment,
19 miscellaneous expenses and capital outlay.

20 **(d) Water Protection Fund.** The sum of Seventy-three Thousand Five
21 Hundred Sixty-one Dollars (**\$73,561**) is appropriated from the Water Protection Fund
22 (P.L. 25-152, GEPA Soil Erosion and Sedimentation Control Regulations, §10108(G))
23 to the Guam Environmental Protection Agency for Fiscal Year 2009 for contractual
24 services, equipment, supplies and capital outlay.

25 **(e) Transfer Exemption.** The funds appropriated by this Section are *not*
26 subject to *I Maga'lahañ Guåhan's* transfer authority.

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1 **CHAPTER V**

2 **PART I – EXECUTIVE BRANCH APPROPRIATIONS**

3 **Section 1. Appropriation for Executive Branch.** The sum of One
4 Hundred Eighty-four Million Six Hundred Three Thousand Nine Hundred Ninety-
5 seven Dollars (**\$184,603,997**) is appropriated to *I Maga'lahaen Guåhan*, of which One
6 Hundred Thirty-five Million Three Hundred Eighty-three Thousand Eight Hundred
7 Twenty-eight Dollars (**\$135,383,828**) is from the General Fund, Thirty-six Million
8 Two Hundred Thirty Thousand Eight Hundred Seventy-six Dollars (**\$36,230,876**) is
9 from Special Funds as designated below, and Twelve Million Nine Hundred Eighty-
10 nine Thousand Two Hundred Ninety-three Dollars (**\$12,989,293**) is from Federal
11 Matching Grants-in-Aid, for Executive Branch operations, including personnel costs,
12 in Fiscal Year 2009 for the following entities:

- 13 (a) Department of Administration (Guam Highway Fund \$2,740,464; Federal
14 Matching Grants-In-Aid \$928,738)
- 15 (b) Department of Agriculture (Guam Plant Inspection and Permit Fund
16 \$68,022; Federal Matching Grants-In-Aid \$455,600)
- 17 (c) Ancestral Lands Commission
- 18 (d) Bureau of Budget and Management
- 19 (e) Bureau of Statistics and Plans
- 20 (f) Department of *Chamorro* Affairs
- 21 (g) *Chamorro* Land Trust Commission (*Chamorro* Land Trust Operations Fund
22 \$500,301)
- 23 (h) Chief Medical Examiner
- 24 (i) Civil Service Commission
- 25 (j) Commission on Decolonization

- (k) Guam Contractors License Board (Guam Contractors License Board Fund \$574,205)
- (l) Department of Corrections (Corrections Revolving Fund \$1,430,973)
- (m) Guam Council on the Arts and Humanities Agency (Federal Matching Grants-In-Aid \$240,500)
- (n) Department of Integrated Services for Individuals with Disabilities (Healthy Futures Fund \$619,825; Federal Matching Grants-In-Aid \$2,052,208)
- (o) Guam Fire Department (E911 Emergency System Reporting Fund \$1,442,920; FLAME Fund \$1,347,140)
- (p) Office of *I Maga'lahren Guåhan* and Office of *I Segundo Na Maga'lahren Guåhan*
- (q) Guam Election Commission
- (r) Guam State Clearinghouse
- (s) Guam Educational Telecommunications Corp. (KGTF)
- (t) Department of Labor (Manpower Development Fund \$377,700; Federal Matching Grants-In-Aid \$35,000)
- (u) Department of Land Management (Land Survey Revolving Fund \$2,858,202)
- (v) Guam Public Library System
- (w) Medical Referral Office
- (x) Department of Mental Health and Substance Abuse (Healthy Futures Fund \$1,568,871)
- (y) Department of Military Affairs (Federal Matching Grants-In-Aid \$1,055,955)
- (z) Department of Parks and Recreation (Public Recreation Services Fund \$207,941)

- 1 **(aa)** Board of Professional Engineers, Architects and Land Surveyors
2 (Professional Engineers, Architects and Land Surveyors Board Fund
3 \$246,250)
- 4 **(bb)** Guam Police Department (Police Services Fund \$813,298; Federal Matching
5 Grants-In-Aid \$740,911)
- 6 **(cc)** Department of Public Health and Social Services (Healthy Futures Fund
7 \$5,885,172; Environmental Health Fund \$530,619; Federal Matching
8 Grants-In-Aid \$7,480,381)
- 9 **(dd)** Department of Public Works (Guam Highway Fund - \$7,597,923); (Solid
10 Waste Operations Fund - \$6,171,435)
- 11 **(ee)** Department of Revenue and Taxation (Better Public Service Fund \$998,313)
- 12 **(ff)** Office of Veteran's Affairs
- 13 **(gg)** Department of Youth Affairs (Healthy Futures Fund \$251,302)

1 bank account that *shall* continue to be administered by the Director of Administration
2 and *shall not* be subject to *I Maga'lahaen Guåhan's* transfer authority.

3 (e) For Fiscal Year 2009, the Guam Power Authority; the Antonio B. Won
4 Pat International Airport Authority, Guam; the Guam Economic Development and
5 Commerce Authority; the Guam Housing Corporation; the Government of Guam
6 Retirement Fund; the Jose D. Leon Guerrero Commercial Port; the Guam Waterworks
7 Authority; and the Guam Visitors Bureau *shall* remit to the Department of
8 Administration an amount equal to the number of retirees eligible pursuant to
9 Subsection (a) hereof who have retired from that entity multiplied by Four Thousand
10 Two Hundred Thirty-eight Dollars (\$4,238). Said remittances *shall* be paid in two (2)
11 equal installments on *or* before October 10, 2008 and April 15, 2009, respectively.
12 Said remittances *shall not* be subject to *I Maga'lahaen's* transfer authority.

13 (f) The sum of Eighteen Million Seven Hundred Thirty-six Thousand Six
14 Hundred Seventy-eight Dollars (\$18,736,678) is appropriated from the General Fund
15 to the Government of Guam Retirement Fund to pay the following two (2) items for
16 current retirees for Fiscal Year 2009:

17 (1) Retiree group health, dental and life insurance premiums (to
18 continue existing programs currently contained in the semi-
19 monthly payments); and

20 (2) Retiree life insurance subsidy (to continue existing programs
21 currently contained in the semi-monthly payments).

22 (g) For Fiscal Year 2009, the Guam Power Authority; the Antonio B. Won
23 Pat International Airport Authority, Guam; the Guam Economic Development and
24 Commerce Authority; the Guam Housing Corporation; the Government of Guam
25 Retirement Fund; the Jose D. Leon Guerrero Commercial Port; the Guam Waterworks
26 Authority; and the Guam Visitors Bureau *shall* remit to the Government of Guam

1 Retirement Fund payments for medical, dental and life insurance payments for retirees
2 who have retired from those respective agencies. Said remittances *shall* be paid in
3 two (2) equal installments on *or* before October 10, 2008, and on *or* before April 1,
4 2009, respectively. The agencies' remittances for medical, dental and life insurance
5 mandated herein are *ex gratia* payments and are for Fiscal Year 2009 *only*.

6 (h) For Fiscal Year 2009, the sum of Six Hundred Eighty-four Thousand
7 Dollars (\$684,000) is appropriated from the General Fund to the Government of
8 Guam Retirement Fund to pay the cost of Medicare premiums for government of
9 Guam retirees and their survivors who are eligible to receive Social Security income
10 benefits and who are required by the government of Guam Group Health Insurance
11 Program to pay said premiums to participate therein.

12 (i) For Fiscal Year 2009, the sum of One Hundred Forty-five Thousand
13 Dollars (\$145,000) is appropriated from the General Fund to the Government of
14 Guam Retirement Fund for *I Maga'lahi* and *I Segundu Na Maga'lahi/I Segundu Na*
15 *Maga'haga* pensions.

16 (j) For Fiscal Year 2009, the sum of Four Hundred Fifty-four Thousand Two
17 Hundred Dollars (\$454,200) is appropriated from the General Fund to the Government
18 of Guam Retirement Fund for retirement annuities for former judges and justices of
19 the Superior Court and Supreme Court of Guam.

20 (k) The Government of Guam Retirement Fund Board of Trustees *shall* enact
21 and, *if* necessary, amend administrative regulations that establish procedures to ensure
22 the proper submission, receipt and accounting of all sums remitted pursuant to
23 Subsections (e) and (g) hereof.

24 **Section 2. Survivor Supplemental Annuity Additions.** Title 4 GCA
25 §8135(d)(6) is *amended* to read:

1 “(6) the prospective payment of supplemental benefits for the period of
2 October 1, 2008, through September 30, 2009, for survivors of those employees
3 who retired *prior* to October 1, 1995, to be paid in the following manner:

4 (i) Four Thousand Two Hundred Thirty-eight Dollars **(\$4,238)**
5 in Retiree Supplemental Annuity Benefits, known as the
6 sum of One Thousand Two Hundred Dollars **(\$1,200)**, One
7 Thousand Five Hundred Dollars **(\$1,500)**, Seven Hundred
8 Dollars **(\$700)**, and Eight Hundred Thirty-eight Dollars
9 **(\$838)** in annual benefits formerly authorized by various
10 General Appropriation Acts.

11 (ii) *No* person eligible for Retiree Supplemental Annuity
12 Benefits provided for in this Section *shall* receive said
13 benefits *if* his regular annual retirement annuity *exclusive* of
14 the supplemental amounts authorized hereby exceeds Forty
15 Thousand Dollars **(\$40,000)**. No persons eligible for Retiree
16 Supplemental Annuity Benefits *shall* receive more than the
17 sum of Forty Thousand Dollars **(\$40,000.00)** in combined
18 retirement annuities and supplemental retirement annuities.”

19 **Section 3. Disability Supplemental Annuity Additions.** Title 4 GCA
20 §8129(g) is *amended* to read:

21 “(g) Any disability retirement annuitant who commenced receiving a
22 disability retirement annuity *prior* to October 1, 1995, and who is entitled to
23 disability retirement benefits under this Chapter *shall* receive, during the period
24 commencing on October 1, 2008, and ending on September 30, 2009,
25 prospective non-cumulative supplemental annuity benefits as follows:

1 (1) Four Thousand Two Hundred Thirty-eight Dollars (\$4,238)
2 in Retiree Supplemental Annuity Benefits, known as the
3 sum of One Thousand Two Hundred Dollars (\$1,200), One
4 Thousand Five Hundred Dollars (\$1,500), Seven Hundred
5 Dollars (\$700), and Eight Hundred Thirty-eight Dollars
6 (\$838) in *annual* benefits formerly contained in various
7 General Appropriation Acts.

8 (2) No persons eligible for Retiree Supplemental Annuity
9 Benefits provided for in Paragraph (g) of this Section *shall*
10 receive such benefit *if* their regular annual retirement
11 annuity, *excluding* survivor benefits, *prior* to the
12 supplemental amounts herein exceeds Forty Thousand
13 Dollars (\$40,000). No Persons eligible for Retiree
14 Supplemental Annuity Benefits *shall* receive more than the
15 sum of Forty Thousand Dollars (\$40,000.00) in combined
16 retirement annuities and supplemental retirement annuities.”

17 **Section 4. Retiree Supplemental Annuity Additions.** Title 4 GCA
18 §8122(d)(6), is hereby *amended* to read:

19 “(6) Any retirement annuitant who commenced receiving a retirement
20 annuity *prior* to October 1, 1995, and who is entitled to retirement benefits
21 under this Chapter, *shall* receive, during the period commencing on October 1,
22 2008 and ending on September 30, 2009, prospective, non-cumulative
23 supplemental annuity benefits as follows:

24 (i) Four Thousand Two Hundred Thirty-eight Dollars (\$4,238)
25 in Retiree Supplemental Annuity Benefits, known as the
26 sum of One Thousand Two Hundred Dollars (\$1,200), One

1 Thousand Five Hundred Dollars (\$1,500), Seven Hundred
2 Dollars (\$700), and Eight Hundred Thirty-eight Dollars
3 (\$838) in annual benefits formerly contained in various
4 General Appropriation Acts.

- 5 (ii) No retiree who is eligible for Retiree Supplemental Annuity
6 Benefits provided for in this Section *shall* receive such
7 benefit *if* his regular annual retirement annuity, *excluding*
8 the supplemental amounts authorized herein and survivor
9 benefits, exceeds Forty Thousand Dollars (\$40,000). A
10 retiree who is eligible for Retiree Supplemental Annuity
11 Benefits *shall* receive *no more than* Forty Thousand Dollars
12 (\$40,000.00) in combined retirement annuities and
13 supplemental retirement annuities.”

14 **Section 5. Appropriation for Cost of Living Allowance (COLA).** *I*
15 *Maga'lāhen Guåhan* shall provide, by a single lump sum payment, a “Cost of Living
16 Allowance” (COLA) of One Thousand One Hundred Dollars (\$1,100) to each
17 annuitant of the Government of Guam Retirement Fund who is receiving an annuity as
18 of September 30, 2008, or his survivor, *no later than* November 1, 2008, unless the
19 annuitant chooses in writing to receive bi-monthly payments from October 1, 2008
20 through September 30, 2009. The sum of Six Million Six Hundred Seventy Thousand
21 Dollars (\$6,670,000) is appropriated from the General Fund to the Department of
22 Administration to pay said Cost of Living Allowance.

23 **Section 6. Street Light Fund.** (a) The sum of Three Million Two Hundred
24 Seventy-eight Thousand Two Hundred Sixty-six Dollars (\$3,278,266) is appropriated
25 from the Street Light Fund to the Department of Public Works to pay the Guam Power
26 Authority for the installation and operation of public streetlights in Fiscal Year 2009.

1 The Director of DPW *shall, no later than* thirty (30) days after the end of each quarter,
2 submit a quarterly report of the expenditures from this appropriation to the Speaker of
3 *I Liheslaturan Guåhan* and post the same on the Department's website.

4 **(b) Appropriation for Street Lights.** In the event the Street Light Fund is
5 insufficient to pay for the operations of public streetlights in a given fiscal year, *I*
6 *Maga'lahaen Guåhan* is authorized to cover such shortfall and pay to the Guam Power
7 Authority from the General Fund for the continued operations of public street lights.
8 Such sums as are necessary for this purpose are hereby appropriated from the General
9 Fund, provided such payments *do not exceed* Two Million Dollars (\$2,000,000) in any
10 given fiscal year.

11 **Section 7. Worker's Compensation Fund.** The sum of Seven Hundred
12 Ninety-eight Thousand Five Hundred Ninety-three Dollars (**\$798,593**) is appropriated
13 from the General Fund to the Department of Labor for the Worker's Compensation
14 Fund for Fiscal Year 2009 for Worker's Compensation payments pursuant to Title 22
15 GCA §9144; including obligations incurred in past years and in the future. Said
16 appropriation may be used to pay for medical, surgical, and other treatment; nurses;
17 hospital services; medical travel and per diem costs; medicine; crutches; and
18 equipment required by a claimant for such period as his injury and the recovery there
19 from may require. Said appropriation *shall not* be used for disability compensation
20 payments to FTEs funded by this Act. The Director of Labor may use *no more than*
21 Forty Thousand Dollars (**\$40,000**) from said appropriation to pay for legal services for
22 Worker's Compensation hearings. The Director is authorized *no more than* Twenty-
23 five Thousand Dollars (\$25,000) of this appropriation to purchase computers,
24 equipment, and supplies for Worker's Compensation Division to facilitate Worker's
25 Compensation Hearings.

1 **Section 8. Government Claims Fund.** The sum of Ninety-four Thousand
2 One Hundred Seventy-six Dollars (**\$94,176**) is appropriated from the General Fund to
3 the Department of Administration to the Government Claims Fund for payment of
4 approved government claims in Fiscal Year 2009. The Director of Administration
5 shall, *no later than* thirty (30) days after the end of each quarter, submit a quarterly
6 report of the expenditures from this appropriation to the Speaker of *I Liheslaturan*
7 *Guåhan*, describing all expenditures made pursuant to this appropriation and post the
8 same on the Department's website.

9 **Section 9. Residential Treatment Fund.** The sum of Nine Hundred Fifty-
10 nine Thousand One Hundred Thirty-two Dollars (**\$959,132**) is appropriated from the
11 General Fund to the Department of Administration (DOA) in Fiscal Year 2009 to pay
12 the expenses of persons under the jurisdiction of the Superior Court of Guam who
13 require residential care because of physical, mental *or* emotional disabilities *or* severe
14 emotional disturbance. All such persons and their escorts referred off Guam for
15 treatment and care *shall* submit to the Director of Administration appropriate
16 documentation to justify and receive reimbursement of their travel expenses. The
17 Director of Administration *shall, no later than* thirty (30) days after the end of each
18 quarter, submit a quarterly report of the expenditures from this appropriation to the
19 Speaker of *I Liheslaturan Guåhan*, describing all expenditures made pursuant to this
20 appropriation and post the same on the Department's website.

21 **Section 10. Appropriation to DOA for Support of Child in Custody.** The
22 sum of Six Hundred Fifty-nine Thousand Two Hundred Thirty-two Dollars
23 (**\$659,232**) is appropriated from the General Fund for Fiscal Year 2009 to the
24 Department of Administration for the *sole* purpose of paying orders of the court
25 pursuant to 19 GCA §5116.

1 **Section 11. Government of Guam's General Purpose Financial**
2 **Statement and Single Audit Report.** The sum of Three Hundred Fifty-three
3 Thousand Six Hundred Fifty-six Dollars (**\$353,656**) is appropriated from the General
4 Fund to the Department of Administration for the Fiscal Year 2008 Audit of the
5 Government of Guam's General Purpose Financial Statement and Single Audit
6 Report. The Public Auditor *shall* administer said funds and *shall* oversee the annual
7 audit.

8 **Section 12. Single Audit Report on Tourist Attraction Fund.** The sum of
9 Eighteen Thousand Dollars (**\$18,000**) is appropriated from the Tourist Attraction
10 Fund to the Department of Administration for the Fiscal Year 2008 Audit of the
11 Government of Guam's Tourist Attraction Fund Financial Statement and Single Audit
12 Report. The Public Auditor *shall* administer said funds and *shall* oversee the annual
13 audit.

14 **Section 13. Single Audit Report on Guam Highway Fund.** The sum of
15 Eighteen Thousand Dollars (**\$18,000**) is appropriated from the Guam Highway Fund
16 to the Department of Administration for the Fiscal Year 2008 Audit of the
17 Government of Guam's Highway Fund Financial Statement and Single Audit Report.
18 The Public Auditor *shall* administer said funds and *shall* oversee the annual audit.

19 **Section 14. Appropriations to the Judiciary. (a)** The sum of Nineteen
20 Million Five Hundred Forty-three Thousand Six Hundred Forty-five Dollars
21 (**\$19,543,645**) is appropriated from the General Fund to the Judiciary of Guam for its
22 operations in Fiscal Year 2009.

23 **(b)** The sum of Nine Hundred Thirty-one Thousand Three Hundred Four
24 Dollars (**\$931,304**) is appropriated from the General Fund to the Judiciary of Guam
25 for the operations of the Northern Satellite Court in Fiscal Year 2009.

1 (c) The sum of Five Hundred Forty-five Thousand Eight Hundred Twenty-
2 five Dollars **(\$545,825)** is authorized from Federal Matching Grants-In-Aid to the
3 Guam Judiciary for its operations in Fiscal Year 2009.

4 (d) Unexpended appropriations to the Judiciary *shall not* lapse at the close of
5 Fiscal Year 2008 *or* Fiscal Year 2009 and may be used in subsequent fiscal years until
6 all sums appropriated are expended.

7 **Section 15. Court-Appointed Attorney Fees.** The sum of Six Hundred
8 Fifty-nine Thousand Two Hundred Thirty-two Dollars **(\$659,232)** is appropriated
9 from the General Fund for Fiscal Year 2009 to the Judiciary of Guam for the *sole*
10 purpose of paying court-appointed attorney fees arising from the defense of indigent
11 persons. Said funds *shall* be deposited and held in the Judicial Client Services Fund
12 account, as created by Title 7 GCA, Division 1, Chapter 9.6, and *shall not* be subject
13 to any transfer authority.

14 **Section 16. Adult and Juvenile Drug Courts.** The sum of Four Hundred
15 Ninety-eight Thousand Three Hundred Seventy-four Dollars **(\$498,374)** is
16 appropriated from the General Fund to the Judiciary of Guam for the operations of the
17 Adult and Juvenile Drug Courts for Fiscal Year 2009.

18 **Section 17. Family Visitation Center.** The sum of One Hundred Forty
19 Thousand Dollars **(\$140,000)** is appropriated from the Safe Streets Fund, for Fiscal
20 Year 2009, to the Judiciary of Guam to pay for contractual services for the operation
21 of the Family Visitation Center, *provided* that the Judiciary must comply with Title 16
22 GCA §18125(c) and (d) and Title 7 GCA §9211(b).

23 **Section 18. I Liheslaturan Guåhan Operations.** The sum of Six Million
24 Eight Hundred Thousand Dollars **(\$6,800,000)** is appropriated from the General Fund
25 to *I Liheslaturan Guåhan* for its operations, including personnel services.

1 **Section 19. Appropriation to the Office of Finance and Budget.** The sum
2 of Four Hundred Twenty-eight Thousand Five Hundred Sixty-Seven Dollars
3 **(\$428,567)** is appropriated from the General Fund to *I Liheslaturan Guåhan* for the
4 operations of the Office of Finance and Budget (OFB), including personnel services.

5 **Section 20. Appropriations to the Office of the Public Auditor.** (a) The
6 sum of One Million One Hundred Eight Thousand Six Hundred Seventy-six Dollars
7 **(\$1,108,676)** is appropriated from the General Fund to the Office of the Public
8 Auditor for its operations, including personnel costs, for Fiscal Year 2009.

9 (b) The sum of One Hundred Sixty-three Thousand One Hundred Six Dollars
10 **(\$163,106)** is appropriated from the General Fund to the Office of the Public Auditor
11 to fund its Procurement Appeals Division for Fiscal Year 2009.

12 **Section 21. Public Defender Service Corporation.** The sum of Two
13 Million Seven Hundred Fifty Thousand Seven Hundred Fifty-three Dollars
14 **(\$2,750,753)** is appropriated from the General Fund to the Public Defender Service
15 Corporation for its operations in Fiscal Year 2009.

16 **Section 22. Training of Government Accountants.** The sum of Thirty-one
17 Thousand Five Hundred Forty-nine Dollars **(\$31,549)** is appropriated from the
18 General Fund to the Department of Administration for the training and continuing
19 education of persons employed as government accountants and in related positions,
20 provided that said training and education emphasizes performance based budgeting.
21 Of the amount appropriated in this Section, the amount of (\$10,000) *shall* be used for
22 the Department of Administration's Division of Training and Development for its
23 training equipment and training facilities.

24 **Section 23. Guam Election Commission.** Notwithstanding any other
25 provision of law, there is hereby appropriated from the General Fund to the Guam

1 Election Commission the sum of Five Hundred Sixty-one Thousand Six Hundred
2 Thirty-one Dollars (**\$561,631**) which *shall* be expended as follows:

3 (a) Two Hundred Thirty Thousand One Hundred Forty-eight Dollars
4 (\$230,148) for the payment of prior years' rental obligations of the Guam
5 Election Commission.

6 (b) Three Hundred Thirty-one Thousand Four Hundred Eighty-three
7 Dollars (\$331,483) for the 2008 General Election and related expenses.

8 **Section 24. Department of Agriculture – Animal Shelter.** The sum of One
9 Hundred Thousand Dollars (**\$100,000**) is appropriated from the General Fund to the
10 Department of Agriculture to fund a contract with a private entity to manage and
11 operate the Yigo Animal Shelter. *No more than* Fifteen Thousand Dollars (\$15,000)
12 of the above amount *shall* be expended for the proper disposal of such animals in
13 accordance with environmentally-conscience means, including *but not limited to*,
14 cremation. Notwithstanding any other provision of law *or* this Act, this appropriation
15 *shall* continue to be available until expended.

16 **Section 25. (a) Appropriations to the Guam Visitors Bureau.** The sum of
17 Twelve Million One Hundred Ninety-six Thousand Five Hundred Ninety-five Dollars
18 (**\$12,196,595**) is appropriated from the Tourist Attraction Fund (TAF) to the Guam
19 Visitors Bureau (GVB) for the items and the indicated sums listed for the period of
20 October 1, 2008, through September 30, 2009:

21	(1) General Administration	\$2,137,197
22	(2) Marketing	\$8,095,133
23	(3) Printing, Promotional	\$238,875
24	(4) Research	\$375,000
25	(5) Destination Development	\$1,350,390

1 **(b) Appropriation to GVB for Special Projects.** The sum of Nine Hundred
2 Forty-nine Thousand Five Hundred Dollars (\$949,500) is appropriated from the
3 Tourist Attraction Fund to the Guam Visitors Bureau to fund the Tumon and *Hagatña*
4 Beach Cleaning, Tumon Landscaping, and Island-wide Roadways Maintenance
5 projects in Fiscal Year 2009. Notwithstanding the general provisions of 11 GCA
6 §30107.1 and this Act, this appropriation *shall* continue to be available until
7 expended.

8 **(c) Appropriation to GVB for *Pa'a Taotao Tano'*.** The sum of One Hundred
9 Fifty Thousand Dollars (\$150,000) is appropriated from the Tourist Attraction Fund to
10 the Guam Visitors Bureau for the Fiscal Year 2009 operations of *Pa'a Taotao Tano'*.
11 Notwithstanding the general provisions of 11 GCA §30107.1 and this Act, this
12 appropriation *shall* continue to be available until expended.

13 **(d) Appropriation to GVB for the Tourism Education Council.** The sum of
14 Forty Thousand Dollars (\$40,000) is appropriated from the Tourist Attraction Fund to
15 the Guam Visitors Bureau for the Fiscal Year 2009 operations of the Tourism
16 Education Council. Notwithstanding the general provisions of 11 GCA §30107.1 and
17 this Act, this appropriation shall continue to be available until expended.

18 **(e) Appropriation to Historic *Inalahan* Foundation.** The sum of One
19 Hundred Thousand Dollars (\$100,000) is appropriated from the Tourist Attraction
20 Fund to the Guam Visitors Bureau for the Fiscal Year 2009 operations of the Historic
21 *Inalahan* Foundation. Notwithstanding the general provisions of 11 GCA §30107.1
22 and this Act, this appropriation *shall* continue to be available until expended.

23 **(f) Appropriation to Guam Tourism Foundation.** Subject to the submission
24 of a proposed plan for expenditure of the funds and approval of said plan by *I*
25 *Liheslatura*, the sum of One Hundred Thousand Dollars (\$100,000) is appropriated
26 from the Tourist Attraction Fund to the Guam Visitors Bureau for the Guam Tourism

1 Foundation to continue development of a Guam Convention/Special Events Center.
2 Notwithstanding the general provisions of 11 GCA §30107.1 and this Act, this
3 appropriation *shall* continue to be available until expended.

4 **(g) Appropriations to Traditions About Seafaring Islands (TASI).** The sum
5 of Seventy-five Thousand Dollars (**\$75,000**) is appropriated from the Tourist
6 Attraction Fund to the Guam Visitors Bureau for the operations of the Traditions
7 About Seafaring Islands (TASI). Notwithstanding the general provisions of 11 GCA
8 §30107.1 and this Act, this appropriation *shall* continue to be available until
9 expended.

10 **(h) Appropriation to the Guampedia.** The sum of Seventy-five Thousand
11 Dollars (**\$75,000**) is appropriated from the Tourist Attraction Fund to the Guam
12 Visitors Bureau for the operations of the Guam Humanities Council Guampedia
13 Project. Notwithstanding the general provisions of 11 GCA §30107.1 and this Act,
14 this appropriation *shall* continue to be available until expended.

15 **(i) Appropriation to Pacific War Museum Foundation.** The sum of Fifty
16 Thousand Dollars (**\$50,000**) is hereby appropriated from the Tourist Attraction Fund
17 to the Guam Visitors Bureau for the operations and expansion of the Pacific War
18 Museum Foundation the Museum *shall* waive any admission fees for field trips
19 organized for the public school children, *Manamko* (Senior Citizens) over the age of 55
20 who are residents of Guam, and organized tours by organizations catering to persons
21 with disabilities who are residents of Guam. The Pacific War Museum *shall* post
22 these exemptions to fees at the entrance of the Museum.

23 **Section 26. *I Liheslaturan Guåhan.*** The sum of Four Hundred Seventy-five
24 Thousand Dollars (**\$475,000**) is appropriated from the General Fund to *I Liheslaturan*
25 *Guåhan* to fund prior years obligations and reimbursement pursuant to 1GCA §419.

1 **Section 27. Maintenance and Repair of Public Restrooms.** The sum of
2 Five Hundred Thousand Dollars (**\$500,000**) is appropriated from the Tourist
3 Attraction Fund to the Department of Parks and Recreation for (a) the maintenance
4 and repair of restroom facilities in public parks island-wide; (b) the construction of the
5 *Malesso* Pier Restroom, which upon completion *shall* be turned over to the
6 jurisdiction of the Village Mayor; and (c) the purchase of equipment for Fiscal Year
7 2009. *No later than* thirty (30) days after the end of every fiscal quarter, the Director
8 of the Department of Parks and Recreation *shall* submit a quarterly report of the
9 expenditures from this appropriation to the Public Auditor of Guam and to the
10 Speaker of *I Liheslaturan Guåhan* and post the same on the Department's website.

11 **Section 28. Appropriation to DPW for the Merizo and Agat Cemetery.**
12 The sum of One Hundred Forty-one Thousand Two Hundred Sixty-four Dollars
13 (**\$141,264**) is appropriated from the General Fund to the Department of Public Works
14 for the following:

- 15 **(a)** The amount of Seventy-five Thousand Dollars (**\$75,000**) for
16 construction of additional crypts on Lot Number 515 New, Merizo,
17 Guam, the designated lot of the Merizo Public Cemetery.
- 18 **(b)** The amount of Sixty-six thousand Two Hundred Sixty-four Dollars
19 (**\$66,264**) for the construction of additional crypts for the Agat Public
20 Cemetery.

21 **Section 29. Appropriation to Expend Indirect Cost Fees Collected for**
22 **Fiscal Year 2009.** The Bureau of Budget and Management Research develops the
23 annual central cost allocation plan and indirect cost rate proposal for the collection of
24 the government of Guam's share of indirect costs associated with administration of
25 Federal grants and contracts. The sum of One Hundred Eighteen Thousand Nine
26 Hundred Thirty-nine Dollars (**\$118,939**) is appropriated from the General Fund,

1 representing an estimated three percent (3%) of total indirect cost fees adopted and
2 collected for Fiscal Year 2009, to the Bureau of Budget and Management Research
3 and the Department of Administration for costs related to negotiating and
4 administering the government of Guam's indirect cost rate. This amount *shall* be
5 allocated in equal amounts between both agencies.

6 **Section 30. Guam Commission for Educator Certification (GCEC).** The
7 sum of One Hundred Sixty-five Thousand Sixty-two Dollars (**\$165,062**) is
8 appropriated from the General Fund to Guam Commission for Educator Certification
9 to fund the operations of the GCEC in FY 2009.

10 **Section 31. COMRIGHT-21.** The sum of Thirty Thousand Four Hundred
11 Seventy-three Dollars (**\$30,473**) is appropriated from the General Fund to the Office
12 of the Governor to fund the operations of the Modernization and Rightsizing
13 Commission (COMRIGHT-21) in FY 2009.

14 **Section 32. Appropriation for the Yigo and Mangilao Vice Mayor's**
15 **Offices.** The sum of Sixty-four Thousand Twenty Dollars (**\$64,020**) is appropriated
16 from the General Fund to the Mayor's Council of Guam for office renovations,
17 utilities, office supplies, furniture and equipment of the Yigo Vice Mayor's office and
18 the Mangilao Vice Mayor's office. The amount appropriated *shall* be divided as
19 follows: Thirty-four Thousand Dollars (\$34,000) to the Yigo Vice Mayor's Office
20 and Thirty Thousand Twenty Dollars (\$30,020) to the Mangilao Vice Mayor's Office.

21 **Section 33. Repayment to Territorial Education Facilities Fund. (a) I**
22 *Maga'lahaen Guåhan shall* repay to the Territorial Education Facilities Fund (TEFF),
23 the sum of Four Million Seventy Six Thousand Six Hundred Forty Dollars
24 (\$4,076,640) which was transferred out of the TEFF pursuant to Section 8, Chapter VI
25 of Public Law 29-19. This repayment *shall* come from the FY 2008 General Fund
26 revenues collected in excess of the revenue level adopted in P.L. 29-19.

1 **(b)** Notwithstanding any other provision of law, the sum of Four Million
2 Seventy Six Thousand Six Hundred Forty Dollars **(\$4,076,640)** is hereby appropriated
3 from the FY 2008 Territorial Education Facilities Fund revenues as a result of the debt
4 service savings from the refinancing of the government of Guam General Obligations
5 Bond, 1993 Series A, to the Guam Public School System for its FY 2009 operations.
6 This appropriation is *not* subject to any Governor's Transfer Authority.

7 **Section 34. Outsourcing of Drug and Alcohol Program.** The sum of Five
8 Hundred Sixty-five Thousand Fifty-six Dollars **(\$565,056)** is appropriated from the
9 General Fund to the Department of Mental Health and Substance Abuse for Fiscal
10 Year 2009 for outsourcing of drug and alcohol detoxification, rehabilitation, and
11 prevention services, *provided* that the expenditure of such funds *shall* comply with
12 Title 48 USC §1421b(p).

13 **Section 35. Appropriation to the Guam Police Department.** The sum of
14 Two Hundred Sixty-six Thousand Dollars (\$266,000) is hereby appropriated from the
15 General fund, from the anticipated surplus revenues of the Guam Police Department
16 for Fiscal Year 2008 to the Guam Police Department for promotions of the uniformed
17 personnel inclusive of Retirement Fund Contributions, Medicare contributions and
18 reclassifications authorized by Public Law 29-105.

19 **Section 36. Department of Corrections Compensation for Housing**
20 **Incarcerated Persons.** The sum of Ninety-six Thousand Dollars **(\$96,000)** is
21 appropriated from the Safe Streets Fund to the Department of Corrections in Fiscal
22 Year 2009 for housing incarcerated persons convicted of misdemeanors and persons
23 convicted of acts made unlawful in Article 1, Chapter 18 of Title 16, Guam Code
24 Annotated.

25 **Section 37. Youth Program Appropriation.** The sum of Three Hundred
26 Seventy-one Thousand Six Hundred Seventy-seven Dollars **(\$371,677)** is appropriated

1 from the General Fund to the Department of Youth Affairs for Sanctuary, Inc. in
2 Fiscal Year 2009 to fund programs for youths who are runaways, homeless *or* victims
3 of abuse.

4 **Section 38. Mayors Council of Guam Operations.** (a) The sum of Seven
5 Million Seventy-eight Thousand Three Hundred Twenty-seven Dollars (**\$7,078,327**)
6 is appropriated from the General Fund to the Mayors Council of Guam for personnel
7 services, operations, and utilities for Fiscal Year 2009.

8 **(b) Village Streets Maintenance and Beautification.** The sum of One
9 Million Thirty-six Thousand Twenty-six Dollars (**\$1,036,026**) is appropriated from
10 the General Fund to the Mayors Council of Guam for Fiscal Year 2009 for the
11 maintenance and beautification of village secondary and tertiary roads and operations
12 of Mayor's offices but *not* for personnel costs. Said funds *shall not* be subject to any
13 transfer authority of *I Maga'lahaen Guåhan* and *shall* be divided among the Village
14 Mayors as follows:

15 (1) Each Mayor *shall* receive the sum of Twenty Thousand Dollars
16 (\$20,000); and

17 (2) The remaining balance of the fund *shall* be distributed to each
18 Mayor *pro rata* based on the total road mileage in his village as a
19 percentage of Guam's total road mileage in the 2006 Guam Roads
20 Pavement Inventory of the Department of Public Works.

21 **(c)** The sum of Four Hundred Forty-seven Thousand Three Hundred
22 Seventy-five Dollars (**\$447,375**) is appropriated from the General Fund to the Mayors
23 Council of Guam, for Fiscal Year 2009, to be expended in accordance with plans
24 approved by the Village Municipal Planning Council and filed with the Director of
25 Administration, to fund public safety and social education programs that enforce
26 alcohol regulations, reduce underage drinking, support traffic safety, reduce drug-

1 related violence and abuse, to support government of Guam substance abuse
2 prevention programs, and to support organized sports programs in the community.

3 (d) With the written approval of the Municipal Planning Council, a Village
4 Mayor may expend funds obtained from private contributions, donations, and
5 fundraising to supplement his village projects *or* programs, including any programs
6 using local, federal, *or* special funds. Each Mayor *shall* submit a report to the Speaker
7 of *I Liheslaturan Guåhan*, the President of the Mayors Council and the Public Auditor
8 on the fifth (5th) day of the first (1st) month of every fiscal quarter (October 5th,
9 January 5th, April 5th, July 5th) regarding the receipt, expenditure, and application of
10 said funds in the previous quarter. Said report *shall* be posted on the website of the
11 Mayors Council of Guam.

12 (e) The appropriation contained in Subsection (a) hereof *shall* provide for the
13 rental of office space by the Mayors of Inarajan and Piti.

14 **Section 39. Island-wide Village Beautification Projects.** The sum of Four
15 Hundred Seventy Thousand Nine Hundred Twenty-one Dollars (**\$470,921**) is
16 appropriated from the General Fund to the Mayors Council of Guam for Island-wide
17 Village Beautification Projects to include:

18 (1) the maintenance and repair of the village's recreational facilities
19 under the jurisdiction of the Mayor; (2) the maintenance and repair of each
20 village's main roads; and (3) the planting and maintenance of each village's
21 official flower and other flowering plants, shrubs and trees adjacent to the
22 village's main roads, public restrooms and recreational facilities. A Mayor may
23 contract with a private entity to provide the services authorized by this Section
24 subject to the Guam Procurement Law, Title 5 GCA, Chapter 5.

25 **Section 40.** The sum of Three Hundred Twenty-Nine Thousand Six Hundred
26 Sixty-Eight Dollars (**\$329,668**) is appropriated from the General Fund to the

Community Development Fund for the grounds maintenance of specified schools
below of the Guam Public School System to be allocated as follows:

VILLAGE/ SCHOOL	AMOUNT
Agana Heights	Agana Heights Elementary \$5,761
Agat	Marcial Sablan Elementary \$7,614
	Oceanview Middle \$11,184
Barrigada	P.C. Lujan Elementary \$5,930
	B.P. Carbullido Elementary \$4,974
	L.P. Untalan Middle \$5,254
Dededo	M.A. Ulloa Elementary \$8,714
	Wettengel Elementary \$11,421
	J.M. Guerrero Elementary \$9,729
	Liguan Elementary \$4,848
	Astumbo Elementary \$5,499
	Finegayan Elementary \$12,690
	V.S.A Benavente Middle \$17,766
	Astumbo Middle \$5,964
	Okkodo Middle \$16,852
Inarajan	Inarajan Elementary \$3,917
	Inarajan Middle \$4,966
Mangilao	H.B. Price Elementary \$4,780
	George Washington High \$30,794
Merizo	Merizo Elementary \$4,154
MTM	J.Q. San Miguel \$2,580
Ordot/Chalan Pago	Ordot/CP Elementary \$5,964
	Agueda Johnston Middle \$9,737

1	Piti	Jose Rios Middle	\$4,763
2	Santa Rita	H.S. Truman Elementary	\$8,215
3		Southern High	\$26,226
4		Alternative School	\$2,809
5	Sinajana	C.L. Taitano Elementary	\$2,826
6	Talofofo	Talofofo Elementary	\$5,076
7	Tamuning	L.B. Johnson Elementary	\$2,538
8		Tamuning Elementary	\$2,961
9		Chief Brodie Elementary	\$4,518
10		JFK High School	\$16,852
11	Umatac	F.Q. Sanchez Elementary	\$846
12	Yigo	Upi Elementary	\$6,345
13		D.L. Perez Elementary	\$10,998
14		Machananao Elementary	\$5,837
15		F.B. Leon Guerrero Middle	\$10,998
16		Simon Sanchez High	\$11,590
17	Yona	M.U. Lujan Elementary	\$5,178
18	TOTAL FOR ALL VILLAGES		\$329,668

19 Subject to approval and scheduling of the public school principals, the Mayors
20 are responsible for regular grounds maintenance of the GPSS school grounds in their
21 respective districts where ground maintenance is *not* already subject to an existing
22 contract.

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MISCELLANEOUS PROVISIONS

Section 1. Retirement Option for Government of Guam Employees. A member of the Government of Guam Retirement Fund who is eligible for retirement may retire upon the complete remittance of his outstanding individual contributions to the Fund, including the employee and employer retirement contributions. Any and all fees, interest at actuarial rates, and penalties required by the Government of Guam Retirement Fund *shall* be paid by the Government.

This Section *shall not* restrict the continuing remittance of existing Retirement Fund contributions as required by law *or* by the Government of Guam Retirement Fund. By the fifteenth (15th) day of each month, the Director of the Government of Guam Retirement Fund *shall* provide a detailed report to the Speaker of *I Liheslaturan Guåhan* regarding said remittances and the number of retirements pursuant to this Section during the previous month. Nothing herein *shall* be construed to abrogate any provision of Public Law 28-38.

Section 2. Volunteers and Donations for Skinner Plaza, Plaza De Espana and Guam Congress Building. The Executive Director of *I Liheslaturan Guåhan* may receive donations, including, but *not* restricted to, donations of goods, materials and services, for the purpose of maintaining and renovating Skinner Plaza, the *Plaza De Espana*, and the Guam Congress Building (also known as the Old Legislative Building).

Section 3. Legal Services for the Department of Public Works. Section 12 of Chapter VI of P.L. 29-19 is repealed. The Department of Public Works shall enter into a memorandum of understanding with the Office of the Attorney General for use of federal highway grant funds as approved and authorized by the Federal Highway Administration for legal services. The Attorney General *shall* represent the

1 Department of Public Works in all legal matters and all litigation in which the
2 Department of Public Works is a party.

3 **Section 4. Contracts Exceeding Funds Restriction.** *No agency shall*
4 *contract or agree to spend any money in excess of the amount allotted to that agency*
5 *for that agreement by BBMR. Any contract or agreement made in violation hereof*
6 *shall be void. Any agency head or certifying officer who knowingly contracts or*
7 *agrees to spend any money in excess of said allotments shall be guilty of a*
8 *misdemeanor.*

9 **Section 5. Restrictions on Executive Branch Hiring of Unclassified**
10 **Employees.** *No government funds of any kind or description may be expended for*
11 *the employment or hiring of unclassified employees in the Executive Branch of the*
12 *government of Guam, except for the following:*

- 13 (a) Certified persons in the Guam Public School System as identified in
14 Subsection (12) of §715 of Chapter 7 of Title 1 of the Guam Code
15 Annotated;
- 16 (b) Academic personnel positions at the University of Guam and the Guam
17 Community College;
- 18 (c) Nurses, doctors, licensed health professionals and ancillary health
19 employees necessary for clinical purposes at the Department of Public
20 Health and Social Services, the Department of Mental Health and
21 Substance Abuse, the Office of the Chief Medical Examiner, the Guam
22 Memorial Hospital Authority, the Guam Police Department, and the
23 Department of Integrated Services for Individuals with Disabilities;
- 24 (d) Department of Labor Survey Workers;
- 25 (e) Systems and Programming Administrator, Junior Systems Programmer,
26 Senior Programmer Analyst, Junior Application Analyst, Junior

1 Programmer Analyst and Junior Application Programmer and positions
2 dealing with tax audits, tax investigations, tax collections and processing
3 of taxes at the Department of Revenue and Taxation;

4 (f) Federally-funded positions (matching and up to 100%);

5 (g) Persons filling temporary vacancies created by the call to active military
6 duty of employees who are members of the reserve components of the
7 Department of Defense and the Department of Transportation, including,
8 *but not limited to*, the United States Army, United States Navy, United
9 States Marine Corps, United States Air Force, the Army National Guard,
10 the Air National Guard, and the United States Coast Guard;

11 (h) Positions within the Office of *I Maga'lahren Guåhan*, the Office of *I*
12 *Segundu Na Maga'lahren Guåhan* and the Guam State Clearinghouse and
13 department *or* agency heads, deputies and private secretaries;

14 (i) Positions within the Mayors Council of Guam; and

15 (j) Positions within the Guam Election Commission.

16 **Section 6. Contracts.** (a) *Except* for positions filled in accordance with
17 the merit system at the University of Guam, the Guam Community College, the Guam
18 Public School System, the Judiciary of Guam, the Department of Law, the Public
19 Defender Service Corporation, the Guam Police Department, *I Liheslaturan Guåhan*,
20 and licensed health professionals at the Guam Memorial Hospital, the Department of
21 Public Health and Social Services and the Department of Mental Health and
22 Substance Abuse, positions in the classified and unclassified service *shall not* be filled
23 pursuant to a contractual arrangement. The Judiciary may hire judges and justices *pro*
24 *tem*, law clerks and legal interns by contract. The University of Guam, the Guam
25 Public School System and the Guam Community College may hire retired faculty by
26 contract. The Public Defender Service Corporation may hire attorneys by contract.

1 (b) Subject to Title 5 GCA Chapter 5, government of Guam departments and
2 agencies may contract with independent contractors, provided that *no* agency may
3 contract for services customarily provided by employees in the classified service
4 *except* at the Department of Public Works and as permitted by statute.

5 (c) This Section *does not* prohibit the use of contracts to obtain commonly
6 recognized professional services such as licensed health professionals, licensed
7 architects, licensed engineers, legal services, actuarial services and auditing services
8 (to include the Government of Guam Annual Financial Audit) by those agencies that
9 *do not* customarily obtain such services through an employee.

10 (d) The Attorney General may contract with attorneys as independent
11 contractors who can provide assistance in areas in which it is impracticable for the
12 Office of the Attorney General to proceed with its existing civil service attorneys such
13 as anti-trust, maritime and admiralty law, patent and copyright law, prosecution of
14 white collar crime, utilities regulation, the issuance of bonds, special tax issues, and
15 complex civil litigation. The Attorney General *shall* file a copy of every such contract
16 with the Chief Procurement Officer and the Director of Administration together with a
17 written certification stating why it was impracticable to handle the matter with the
18 Department's civil service attorneys and justifying the hiring of an independent
19 contractor.

20 (e) The Department of Public Works, as approved and authorized by the
21 Federal Highway Administration, may enter into professional services contracts with
22 such professional personnel needed to facilitate the procurement and construction of
23 federally funded highway projects within the territory. This authorization is *limited to*
24 professional services of locally licensed professional engineers, land surveyors,
25 architects, and professional planners, safety inspectors, and construction management
26 personnel.

1 **Section 7. Temporary Employment of Retired Corrections Officers.**

2 The Department of Corrections may hire retired Guam Corrections Officers *if* a
3 critical need arises. Retired Corrections Officers hired under this Section may receive
4 their retirement annuity while employed on this temporary basis. Officers may *only*
5 be hired under this Section to fill positions left vacant because of military activation of
6 Corrections Officers filling those positions and *shall* be terminated when the
7 incumbent returns from military service. Retired Corrections Officers hired under this
8 Section *shall not* be required to suspend their retirement annuity as a condition of
9 employment on this temporary basis. Retired officers may be hired *only* in the ranks
10 of Corrections Officers Supervisor I and below, at Step IV *only*, and *shall not* receive
11 sick and annual leave. Officers hired under this Section *shall* meet requirements for
12 the position in question *except* for written examinations and the Director of
13 Corrections *shall* certify that every retiree hired is fit for duty. Notwithstanding Title
14 4 GCA §8121(a), a retiree hired pursuant to this Section may continue to receive his
15 annuity.

16 **Section 8. Temporary Employment of Retired Customs and Quarantine**

17 **Officers.** The Customs and Quarantine Agency may hire retired Customs and
18 Quarantine Officers when a critical need arises as a result of military activation of
19 Customs Officers *or* when vacancies cannot be filled within six (6) months because of
20 the lack of qualified applicants. The retired officer *shall* fill such a vacant position
21 and *shall* be terminated when the incumbent returns from military service *or* when a
22 fully-qualified applicant is available. Retired Corrections Officers hired under this
23 Section *shall not* be required to suspend their retirement annuity as a condition of
24 employment on this temporary basis. Retired officers may be hired *only* in the ranks
25 of Customs Officer III and below, *only* at Step IV, and *shall not* receive sick and
26 annual leave. Retirees hired pursuant to this Section *shall* meet requirements for the

1 position in question, *except* for written examinations, and the Director of Customs
2 *shall* certify that every retiree hired is fit for duty. The requirements of Title 17,
3 Article 3, Chapter 32 are waived for employment pursuant hereto *except* for
4 §32304(b)(4). Notwithstanding Title 4 GCA §8121(a), retirees hired temporarily
5 pursuant hereto may continue to receive their retirement benefits.

6 **Section 9. Temporary Employment of Retired Department of Revenue**
7 **and Taxation Employees.** The Department of Revenue & Taxation may hire retired
8 employees of the Department of Revenue & Taxation when a critical need arises in
9 the areas of Tax Collection, Taxpayer Assistance, Tax Investigation, Auditing, and
10 Tax Processing. Said retirees *shall* be hired at Step I for the position in question and
11 *shall not* receive sick and annual leave. Notwithstanding Title 4 GCA §8121(a),
12 retirees hired temporarily pursuant hereto may continue to receive their retirement
13 benefits.

14 **Section 10. Temporary Employment of Retired Guam Police Officers.**
15 The Guam Police Department may hire retired Guam Police Officers *if* a critical need
16 arises because of military activation of police officers. The retiree hired *shall* fill such
17 a vacant position and *shall* be terminated when the incumbent returns from military
18 service. Retired Police Officers hired under this Section *shall not* be required to
19 suspend their retirement annuity as a condition of employment on this temporary
20 basis. Retired officers may be hired *only* at the ranks of Sergeant I and below, *only* at
21 Step IV, and *shall not* receive sick and annual leave. Officers hired under this Section
22 *shall* first meet the requirements, *except* for written examinations, for the position in
23 question and the Chief of Police *shall* certify that every retiree hired is fit for duty.
24 Notwithstanding Title 4 GCA §8121(a), retirees hired temporarily pursuant to this
25 Section hereto may continue to receive retirement benefits.

1 **Section 11. Temporary Employment of Retired Guam Firefighters.** The
2 Guam Fire Department (GFD) may hire retired GFD firefighters *if* a critical need
3 arises because of military activation of GFD firefighters. The retirees hired *shall* fill
4 such a vacant position and *shall* be terminated when the incumbent returns from
5 military service. Retired Firefighters hired under this Section *shall not* be required to
6 suspend their retirement annuity as a condition of employment on this temporary
7 basis. Retired fire personnel may be hired only at the ranks of Fire Specialist and
8 below, *only* at Step IV, and *shall not* receive sick and annual leave. Retired
9 firefighters hired under this Section *shall* first meet the requirements, *except* for
10 written examinations, for the position in question and the Fire Chief *shall* certify that
11 every retiree hired is fit for duty. Notwithstanding Title 4 GCA §8121(a), retirees
12 hired temporarily pursuant to this Section hereto may continue to receive retirement
13 benefits.

14 **Section 12. Locum Tenens Exemption during the Absence of the Chief**
15 **Medical Examiner.** The Office of the Chief Medical Examiner is exempt from the
16 Government of Guam Procurement Law in contracting for the professional services of
17 a qualified medical examiner to be provided when the Chief Medical Examiner is
18 absent from work.

19 **Section 13. Advance Payments for Medical Services.** In order to expedite
20 acceptance of MIP clients for medical treatment approved by the Medically Indigent
21 Program, the Director of Public Health and Social Services may advance payments for
22 said medical treatment, or air ambulance program established by Section 33, Chapter
23 V of Public Law 28-150 and may establish escrow accounts for immediate and
24 advance payment of medical treatment. Treatment rendered off-island *shall* be at a
25 Joint Commission Accredited institution determined by the Director to be best able to
26 serve Medically Indigent Program Clients.

1 **Section 14. Audit Supplementary Information.** The Public Auditor and
2 the Director of Administration *shall* ensure that the audit of the government of Guam
3 Financial Statements contains the following supplementary information:

4 (a) A Schedule of Personnel Count indicating the number of filled
5 positions by department, fund source and amount expended as of
6 September 30, 2008; and

7 (b) A Combined Schedule of Expenditure, Encumbrances and
8 Continuing Appropriations by department, fund source and object
9 classification as of September 30, 2008.

10 **Section 15. COLA Payment Option and COLA Payments by**
11 **Autonomous Agencies.** (a) The A. B. Won Pat International Airport Authority,
12 Guam, the Guam Economic Development and Commerce Authority, the Guam
13 Housing Corporation, and the Government of Guam Retirement Fund *shall* pay a
14 “Cost of Living Allowance” (COLA) in a single payment of One Thousand One
15 Hundred Dollars (**\$1,100**) to every Government of Guam Retirement Fund annuitant
16 who retired from each respective aforementioned agency who were receiving COLA
17 as of September 30, 2008, *or* their survivors.

18 (a) Each agency mentioned in Subsection (a) *shall* reimburse the General
19 Fund for any COLAs paid by the Fund in Fiscal Year 2009 to annuitants who have
20 retired from that agency and their survivors.

21 All COLA recipients, regardless of fund source, *shall* be paid by lump sum
22 payment *no later than* November 1, 2008, unless the annuitant chooses in writing to
23 receive bi-monthly payments from October 1, 2008 through September 30, 2009.

24 **Section 16. §1512.1 of Title 5, Guam Code Annotated, is hereby amended**
25 **to read:**

26 **“§1512.1. Authorization to Issue Bonds for Deficit Financing.**

1 **(a) Authorization of Issuance of Bonds.** *I Maga'lāhen Guåhan* is
2 authorized to issue one *or* more series of bonds of the Government of Guam as
3 provided in this Section, in an aggregate principal amount *not to exceed* the
4 amount necessary to provide Two Hundred Forty-six Million Eight Hundred
5 Twenty Thousand Eight Hundred Fifty-six Dollars (\$246,820,856) for the
6 payment of authorized expenses listed in Subsection (i) hereof, to fund
7 necessary reserves and to pay expenses incurred in connection with the issuance
8 of such bonds *not* already included in an existing appropriation for *or* the
9 regular budget of any government agency *or* instrumentality *or* public
10 corporation providing any service in connection with the issuance of such
11 bonds; *provided, however*, that bonds *may not* be issued in an amount that
12 would cause a violation of the debt limitation provisions of 48 USC 1423a (§ 11
13 of the Organic Act of Guam).

14 **(b) Terms and Conditions Determined by Certificate *or* Indenture.**
15 The terms and conditions of the bonds *shall* be as determined by *I Maga'lāhen*
16 *Guåhan*, and approved by *I Liheslaturan Guåhan*, by the execution of a
17 certificate *or* indenture authorizing the issuance of the bonds *prior* to the
18 issuance of the bonds; *provided, however*, that such terms and conditions *shall*
19 be consistent with this Section, and that the bonds *shall* mature *not later than*
20 the date thirty (30) years after their date of issuance and *shall* bear interest at
21 such rates and be sold for such price *or* prices as *shall* result in a yield to the
22 bondholders that does *not exceed* eight percent (8.0%) per annum.

23 **(c) Valid and Binding.** The bonds authorized by this Section *shall*
24 constitute the valid and binding general obligations of the government of Guam.
25 The government of Guam pledges its full faith and credit for the punctual
26 payment of both principal of and interest on the bonds and covenants that there

1 *shall* be collected annually in the same manner and at the same time as
2 government revenue for other purposes is collected, such sum as is required to
3 pay the principal of and interest on the bonds. There are hereby appropriated
4 from the General Fund such sums as may be necessary in each year to equal the
5 amount of money necessary to pay the principal and interest on such bonds.
6 The certificate *or* indenture *shall* require interest only payments for Fiscal
7 Years 2009 and 2010 and *shall not* require bond principal payments until after
8 such Fiscal Years. All officers charged by law with any duty in the collection
9 of the revenues of the government from which debt service on the bonds will be
10 payable *shall* do every lawful thing necessary to collect such sum. The validity
11 of any such bonds *shall not* be affected by the validity *or* regularity of any
12 proceedings for the payment of the General Fund expenses paid *or* to be paid
13 with the proceeds of the bonds.

14 **(d) Additional Bonds.** This Section *does not* prohibit the government
15 of Guam from issuing, after appropriate enabling legislation, other obligations
16 of the government secured by the general obligation of the government on a
17 parity with *or* subordinate to the bonds authorized by this Section on such terms
18 as are created by the indenture *or* certificate pursuant to which the bonds are
19 issued.

20 **(e) Waiver of Immunity; Submission to Jurisdiction.**
21 Notwithstanding any substantive *or* procedural provision of Chapter 6 of Title
22 5, Guam Code Annotated, the government of Guam waives immunity from any
23 suit *or* action in contract on the bonds, but *does not* waive immunity as to the
24 personal liability of elected officials and employees of the government of
25 Guam. Any such suit *or* action *shall* be brought in the District Court of Guam.

1 (f) **No Personal Liability.** *No* employee *or* elected official of the
2 Government of Guam *shall* be individually *or* personally liable for the payment
3 of any amounts due on any bonds issued under this Section, *or* for any other
4 liability arising in connection with the bonds; provided, however, that nothing
5 in this Section *shall* relieve any employee *or* elected official from the
6 performance of a ministerial duty required by law.

7 (g) **Form of Bonds; Covenants; Appointment of Fiduciaries.** The
8 technical form and language of the bonds, including provisions for execution,
9 exchange, transfer, registration, paying agency, lost *or* mutilated bonds,
10 negotiability, cancellation and other terms *or* conditions *not* inconsistent with
11 this Section, including covenants relating to the collection of Revenues, *shall* be
12 as specified in the certificate *or* indenture executed by *I Maga'lahaen Guåhan*
13 authorizing issuance of the bonds. Said certificate *or* indenture *shall* appoint
14 one *or* more trustees, co-trustees *or* other fiduciaries authorized to receive and
15 hold in trust the proceeds of the bonds, the Revenues and other moneys relating
16 thereto, to protect the rights of bondholders and to perform such other duties as
17 may be specified in the indenture. *I Maga'lahaen Guåhan* is also authorized to
18 execute any appropriate agreements, certificates *or* other instruments relating to
19 the bonds and the sale of bonds.

20 (h) **Authorization for Credit Enhancement.** *I Maga'lahaen Guåhan* is
21 authorized to enter into such contracts *or* agreements with such banks,
22 insurance companies *or* other financial institutions as he determines are
23 necessary *or* desirable to improve the security and marketability of the bonds
24 issued under this Section. Such contracts *or* agreements may obligate the
25 government to reimburse, with interest, any such banks, insurance companies *or*
26 other financial institutions for advances they make to pay principal of *or*

1 interest on the bonds and to indemnify any such banks, insurance companies *or*
2 other financial institutions for costs and expenses incurred in connection with
3 any such advance. Any such reimbursement obligation and any other
4 obligations of the government under such contracts *or* agreements *shall* be
5 general obligations of the government of Guam. Any such reimbursement
6 obligation and any other obligations of the government under such contracts *or*
7 agreements *shall* be treated, under §11 of the Organic Act, as creating an
8 obligation issued to refund the bonds.

9 (i) **Use of Proceeds from the Sale of the Bonds.** The proceeds from the
10 sale of the bonds *shall* be used and are hereby appropriated to (i) pay the
11 General Fund expenses described below in this Subsection, (ii) establish
12 necessary reserves, (iii) pay expenses relating to the authorization, sale and
13 issuance of the bonds, including, without limitation, printing costs, costs of
14 reproducing documents, credit enhancement fees, underwriting, legal, financial
15 advisory and accounting fees and charges, fees paid to banks *or* other financial
16 institutions providing credit enhancement, costs of credit ratings and other
17 costs, charges and fees in connection with the issuance, sale and delivery of the
18 bonds, and (iv) fund capitalized interest on the bonds for a period ending *not*
19 *later than* thirty (30) months after their issuance. The General Fund expenses
20 authorized to be paid with the proceeds of the bonds are as follows and *shall* be
21 paid in the following order of priority:

22 (1) Cost of Living Adjustment (COLA) to discharge finally and
23 permanently the obligations of the government incurred pursuant to the
24 settlement agreement entered into between the Government of Guam and the
25 COLA Class as ordered by the Judgment in Rios v. Camacho, Superior Court
26 Case No. SP0206-93: \$92,000,000;

1 (2) 2006 and prior year individual and corporate tax refunds including
2 interest, *if* any, thereon and individual tax refunds *shall* be paid first:
3 \$112,000,000;

4 (3) Health Care Capital Improvement Projects at the Guam Memorial
5 Hospital: \$11,000,000;

6 (4) amounts past due as contributions to the Government of Guam
7 Retirement Fund, including interest, *if* any, thereon, on behalf of the following:

8 (a) Guam Memorial Hospital: \$14,953,216

9 (b) Guam Public School System: \$16,867,640.

10 Total \$246,820,856

11 Payments made pursuant to this Subsection *shall* apply to *any* other
12 appropriations for the same items and *shall not* constitute double
13 appropriations.

14 (j) **Permitted Investments.** The bond proceeds and any revenues
15 generated by said bonds *shall* be invested only in those investments permitted
16 by the certificate *or* indenture pursuant to which such bonds are issued.

17 (k) **Approval by Guam Economic Development and Commerce**
18 **Authority.** No bonds authorized by this Section *shall* be sold until the Board of
19 Directors of GEDCA has approved the sale by resolution.

20 (l) **Approval of Voters Not Required.** The issuance of bonds pursuant
21 to this Section *shall not* be subject to the approval of the voters of Guam.

22 (m) **Approval of Bonds.** *I Liheslaturan Guåhan*, pursuant to §50103(k),
23 Title 12 Guam Code Annotated, hereby approves the issuance and sale by the
24 government of Guam of bonds for the purposes and in the principal amounts
25 mandated by §1512.1, Title 5 Guam Code Annotated; provided that the bonds

1 are issued and sold subject to the terms, conditions, requirements and
2 limitations mandated therein.

3 (n) **Approval of Form of Certificate of Issuance.** The bonds *shall* be
4 issued pursuant to an certificate of issuance in substantially the form of the
5 certificate of issuance presented to this Legislature, as evidenced by the
6 attached "Exhibit A" made part of this Act, subject to such modifications to and
7 changes in such certificate of issuance as *I Maga'lahaen Guåhan* may approve
8 consistent with §1512.1, Title 5 Guam Code Annotated and subject to the terms,
9 conditions, requirements and limitations therein."

10 **Section 17. Prohibition of Public Assistance Funds for the Purchase of**
11 **Alcoholic Beverages and Tobacco Products.** (a) The use of public welfare
12 assistance program funds for the purchase of alcoholic beverages *or* tobacco products
13 is prohibited.

14 (b) A welfare recipient who violates Subsection (a) hereof *shall* be penalized
15 as follows:

16 (1) A first offense *shall* result in the revocation of benefits from the
17 program in question for a period *not to exceed* three (3) months.

18 (2) A second offense *shall* result in the revocation of benefits from the
19 program in question for a period *not to exceed* six (6) months.

20 (3) A third offense *shall* result in the permanent revocation of benefits
21 from the program in question.

22 (c) A business vendor who violates Subsection (a) hereof *shall* be penalized
23 as follows:

24 (1) A first offense *shall* result in a penalty of Two Hundred Dollars
25 (\$200.00) for each violation.

1 (2) A second offense *shall* result in a penalty of Five Hundred Dollars
2 (\$500.00) for each violation.

3 (3) A third offense *shall* result in a penalty of One Thousand Dollars
4 (\$1,000.00) for each violation.

5 (4) A fourth offense *shall* result in the permanent revocation of the
6 vendor's right to participate in the program in question.

7 (d) The Director of Public Health and Social Services *shall* enforce this
8 Section. The Director *shall* approve the imposition of the aforementioned penalties as
9 well as the reconsideration of said penalties following an appeal. The Director *shall*
10 use existing appeal procedures when applicable.

11 (e) The Director *shall* periodically review each program and its beneficiaries
12 and vendors regarding compliance herewith.

13 (f) The Director *shall* notify current public welfare recipients and vendors,
14 in writing, regarding the prohibitions and penalties imposed by this Section. Said
15 notice *shall* include, but *not be limited to*, news media sources and electronic means.

16 **Section 18. Wireless Communications Restrictions.** No government of
17 Guam funds, regardless of source and including funds expended by autonomous
18 agencies, *shall* be expended for the use of cellular telephones, cellular telephone
19 services and other wireless telephone services unless the government of Guam will be
20 reimbursed from Federal funds *or* other grants. This Section *shall not* apply to *I*
21 *Maga'lalen Guåhan*, *I Segundu Na Maga'lalen Guåhan*, the Speaker of *I*
22 *Liheslaturan Guåhan*, the Chief Justice of the Supreme Court of Guam, the Presiding
23 Judge of the Superior Court of Guam, official use of the Crisis Hotline Program of the
24 Department of Mental Health and Substance Abuse, law enforcement officials, on-call
25 health professionals at the Guam Memorial Hospital Authority, the Department of
26 Mental Health and Substance Abuse, and the Department of Public Health and Social

1 Services, Village Mayors and Vice Mayors, GFD and EMS officials, on-call
2 emergency management personnel and the Chief Medical Examiner.

3 **Section 19. Transfer of Employees.** Notwithstanding any other provision of
4 law, and in recognition of personnel shortages in certain areas, *I Maga'lahaen Guåhan*
5 is authorized to transfer employees within *or* between any department *or* agency of
6 the government of Guam, *except* that:

7 (a) This Section *shall not* apply to any employee of the Legislative *or*
8 Judicial Branches of government, the Guam Public School System, the Guam Police
9 Department, the Office of the Attorney General, the Office of the Public Auditor, the
10 University of Guam and the Guam Community College;

11 (b) The transfer of an employee *shall not* result in a loss of pay *or* salary;

12 (c) *No* employee *shall* be transferred if the employee has filed a viable
13 grievance with the Civil Service Commission for discrimination based on political
14 affiliation, gender, *or* sexual harassment, *unless* the employee consents to said
15 transfer;

16 (d) *No* employee of an autonomous agency may be transferred to a line
17 department *or* agency;

18 (e) *I Maga'lahi shall* transfer the funding authorized for that employee's
19 position from the transferor agency to the transferee agency, including GMHA,
20 DPHSS, DMHSA, *unless* the transfer is from a line agency to an autonomous agency;
21 and

22 (f) This Section *shall not* be used to transfer employees acting in good faith
23 who report *or* expose bad business practices, illegal activities, *or* inappropriate
24 conduct by public officials.

25 (g) *No* employee *shall* be transferred from a classified position that was
26 created *or* established by statute.

1 **Section 20. Board and Commission Meeting Stipends.** Any compensation
2 *or* stipend owed to a Board *or* Commission member for attending a regular *or* special
3 meeting *shall* be paid from the budget of the department *or* agency responsible for the
4 administrative support and operations of such Boards *or* Commissions. However,
5 Board and Commission members may elect to *not* receive said compensation.

6 **Section 21. §5125 of Part C, Article 2, Chapter 5, Title 5 of the Guam Code**
7 **Annotated is hereby *amended* to read:**

8 **“§5125. Application of this Chapter to Executive Branch.** Every
9 governmental body which is in the purview of the Executive Branch, and
10 including the Government of Guam Retirement Fund, Guam Community
11 College, the University of Guam, the Guam Public School System, the Guam
12 Memorial Hospital Authority, Guam Economic Development and Commerce
13 Authority, and the Guam Visitor’s Bureau, *shall* be governed by Articles 1, 3,
14 6, 7, 10, 11 and 12 of this Chapter, *except* to the extent that any such
15 governmental body *or* other above-named body may be exempted from the
16 centralized procurement regime of Article 2 of this Chapter, in which event the
17 Director of each such governmental body *or* other above named body *shall* be
18 substituted wherever there is reference to the Public Policy Office, Chief
19 Procurement Officer or Director of Public Works in Articles 4, 5, 8 and 9 of
20 Chapter 5 of Title 5 of the Guam Code Annotated.

21 It is the intent of *I Liheslaturan Guåhan* [the Legislature] to require all
22 Executive Branch governmental bodies, including autonomous agencies, and
23 other above-named bodies, to be governed to the maximum extent practicable
24 by Chapter 5 of Title 5 of the Guam Code Annotated. This provision requires
25 any governmental body, and each above-named body, to conduct their
26 procurement activities pursuant to Chapter 5 of Title 5 of the Guam Code

1 Annotated, *except* insofar as said Chapter establishes and effects a system of
2 centralized procurement.”

3 **Section 22. Manpower Development Fund.** §7120 of Article 1, Chapter 7
4 of Title 22 of the Guam Code Annotated is *amended* to read:

5 **“§7120. Manpower Development Fund.** There is hereby created in
6 the Guam Department of Labor, a Manpower Development Fund (MDF), which
7 *shall* remain separate and apart from any other funds of the government of
8 Guam. The MDF is created *solely* for the purpose of receiving territorial,
9 Federal, and private money and revenues from registration fees on non-
10 immigrant temporary workers.

11 (a) Thirty percent (30%) of the annual revenues generated *shall* be
12 allocated to the Guam Department of Labor. The Department of Labor
13 allocation in the MDF *shall* be expended exclusively to fund the following:

14 (1) One Hundred Thousand Dollars (\$100,000.00) *shall* be
15 allocated annually to produce the quarterly “The Unemployment
16 Situation on Guam” report; and

17 (2) the remaining balance of the Department of Labor’s MDF
18 allocation *shall* be used for administrative and operational purposes as
19 may be determined by the Director of Labor.

20 (b) Seventy percent (70%) of the annual revenues generated *shall* be
21 allocated to the Apprenticeship Training Program at the Guam Community
22 College. The Guam Community College allocation in the MDF *shall* be paid
23 out by the Treasurer of Guam to the Apprenticeship Training Program at Guam
24 Community College, which *shall* be expended exclusively to fund the
25 following:

1 (1) direct financial assistance to students enrolled in the
2 apprenticeship program. *Any* unused portion of this allocation under this
3 Subsection *shall* be return to the MDF;

4 (2) the administrative and instructional costs for the operation of
5 the apprenticeship training programs;

6 (3) facility upgrade and equipment relative to the apprenticeship
7 training programs; and

8 (4) the advertising and outreach programs for the promotion of the
9 apprenticeship training programs.

10 The MDF *shall not* be used for any purposes other than those enumerated
11 in this Section and *shall* be subject to Legislative appropriation.”

12 **Section 23. A new § 22436 is hereby *added* to Article 4, Chapter 22 of Title**
13 **5, Guam Code Annotated, to read:**

14 “§22436 **General Fund Appropriations Cap.** (a) Beginning in Fiscal
15 Year 2010, *I Liheslatura* (the Legislature) *shall not* appropriate more than
16 ninety-eight percent (98%) of the total revenues projected for the General Fund
17 for the fiscal year until such time as the General Fund deficit is eliminated. All
18 unappropriated annual General Fund revenues collected in excess of
19 appropriations *shall* be used to liquidate obligations for refunds, earned income
20 tax credits and prior years’ vendor payables.

21 **(b) Emergency.** To the extent necessary to deal with any disaster *or*
22 emergency this General Fund Appropriations Cap may be temporarily lifted in
23 the event *I Maga’lahi* (the Governor), the President of the United States, or *I*
24 *Liheslatura* (the Legislature) by vote of majority of its members declares Guam
25 to be in a state of emergency or any similar designation.”

1 **Section 24. §22435 (k) (8) of Chapter 22 Title 5. Guam Code Annotated,**
2 **is hereby *amended* to read:**

3 **“§22435 (k) (8) of Chapter 22 Title 5 G.C.A. is hereby *amended* to read:**

4 **(8)** One Million Dollars (\$1,000,000.00) to fund personnel and operations
5 costs of the Department of Revenue and Taxation necessary to implement an
6 Aggressive Tax Collection Effort in FY2009.”

7 **Section 25. Personnel for Revenue and Taxation.** For the purpose of
8 hiring pursuant to 5 GCA 22435 (k)(8), as *enacted* by PL. 29-19 and further *amended*
9 by this Act, the Director of Revenue and Taxation may *only* hire the following
10 personnel with the proceeds of the bond authorized: Tax Investigators, Revenue
11 Agents, Revenue Officers, Income Tax Service Specialists, Tax Technicians, Business
12 Tax Service Specialists, Tax Accountings Technicians, Property Tax Technicians,
13 Property Tax Appraiser, Regulatory Examiner Supervisor, Regulatory Examiners,
14 License Officers, Compliance Inspectors, Weights and Measures Inspectors, Driver’s
15 License Examiners, Vehicle Registration Officers, and a Research and Appeals
16 Officer.

17 **Section 26. Federal Funding Reports.** All government of Guam entities
18 receiving Federal Funds *shall* submit to *I Liheslaturan Guåhan*, and post on its
19 website, the following quarterly reports:

20 (a) staffing patterns of all federally-funded positions; and

21 (b) all payments and obligations of disallowed costs.

22 Said report *shall* itemize the payments of disallowed costs, to include grant title,
23 amount paid, and source of funding.

24 **Section 27. A new §7119 of Title 5, Guam Code Annotated, is hereby *added***
25 **to read:**

1 **“§7119. Lobbying Prohibited.** *No* government or public funds of any
2 nature *shall* be expended in support of *any* lobbyist, *except* for § 7118 of this
3 Chapter, or unless specifically authorized by law. This Section shall apply to all
4 line agencies, all autonomous agencies, and public corporations. *No*
5 government officer *or* employee may accept the services of a lobbyist on a
6 volunteer basis.”

7 **Section 28. §7118 of Title 5 GCA is hereby repealed and reenacted to**
8 **read:**

9 **“§7118. Lobbying Permitted.**

10 **(a) Authorization.** *I Maga’lahen Guåhan* is authorized to procure the
11 services of a lobbyist, provided he expends *no more than* One
12 Million Dollars (\$1,000,000) within any given fiscal year from the
13 annual operating budget appropriated to the Office of the
14 Governor. *I Maga’lahen Guåhan* is further authorized to hire as
15 many lobbyist as may be necessary in order to meet the mandates
16 of this Chapter, provided that the aggregate amount of all such
17 contracts pursuant to this authorization *does not exceed* One
18 Million Dollars (\$1,000,000) in any one fiscal year. *I Maga’lahen*
19 *Guåhan shall not* transfer funds into the Office of the Governor’s
20 budget in order to pay for such contracts.

21 **(b) Scope of Work.** Any lobbying contracts entered into by *I*
22 *Maga’lahen Guåhan*, on behalf of the people of Guam, and any
23 individual, individuals, firm or firms contracted as lobbyist shall be
24 limited to the following areas:

25 (1) The impending Military Buildup;

- (2) Immigration policies and controls, including visa waiver programs for China and the Philippines;
- (3) Compact Impact Reimbursement
- (4) Section 30 funding;
- (5) Veteran's Issues;
- (6) War reparations;
- (7) Political status;
- (8) Chamorro self-determination;
- (9) Return of ancestral lands;
- (10) Cleanup of environmental hazards;
- (11) Investigation of serious health problems possibly related to federal activity;
- (12) Mass transit and public transportation;
- (13) Utilities and telecommunications;
- (14) Public education (Guam Public School System, Guam Community College and the University of Guam);
- (15) Public health;
- (16) Public safety and homeland security;
- (17) Protecting the environment; and
- (18) Economic development.

(c) **Team Guam Approach.** The provision of §7118(a) of this Act shall become effective *only* upon *I Liheslatura's* receipt of *I Maga'lahaen Guåhan's* proposed legislation institutionalizing the formation of a "Team Guam" approach requiring direct involvement of *I Maga'lahaen Guåhan*, the Speaker of *I Liheslaturan Guahan*, and Chief Justice of the Judiciary of Guam

1 in all dealings with the Congress of the United States, the entire
2 Federal Government, including the Department of the Interior, and
3 the Department of Defense relative to the military buildup and
4 relations with the Armed Forces.”

5 **Section 29. Title 4, Guam Code Annotated, §2103.9(a) is hereby amended**
6 **to read:**

7 “(a) *I Maga’lahen Guåhan* [the Governor] or appointing authority may,
8 by separate appointment, appoint a person in an acting capacity to fill a salaried
9 position which requires the advice and consent of *I Liheslaturan Guåhan*
10 [Guam Legislature]. No person may serve in such an acting capacity for a
11 period in excess of ninety (90) days, provided, that *no* acting director who is *not*
12 otherwise a classified employee of the government of Guam may serve in the
13 capacity of acting director without the transmittal of such person’s name to *I*
14 *Liheslaturan Guåhan* for the purpose of confirmation within fifteen (15) days of
15 their appointment as acting director. This Section *does not* apply to
16 appointments to classified positions, but *does* apply to classified employees
17 appointed in an acting capacity to a position requiring the advice and consent of
18 *I Liheslaturan Guåhan*.”

19 **Section 30. §2103.12 Chapter 2 of Title 4, Guam Code Annotated, is**
20 **hereby amended to read:**

21 “§2103.12. **Acting Capacity.** No person who *shall* be appointed to a
22 position which requires advice and consent of *I Liheslatura* may serve in an
23 acting capacity as head *or* director of a department, agency *or* instrumentality
24 for a period in excess of ninety (90) days. Any employee so appointed *shall*
25 have the right to return to the position the employee held immediately before
26 the appointment to serve in an acting capacity after the ninety (90) day period is

1 exhausted. The time limitation of this Section *may not* be circumvented by an
2 interruption in the appointment to an acting capacity *or* by transfer back to the
3 position the employee held immediately before the appointment for a period of
4 *less than* three hundred sixty (360) days *or* by a temporary transfer to *any* other
5 position for a period of less than three hundred sixty (360) days.”

6 **Section 31. (a) §2103.9 (d) and (e) of Chapter 2 of Title 4, Guam Code**
7 **Annotated, is hereby *amended* to read:**

8 “(d) *No* person *shall* serve in an acting capacity on any board *or*
9 commission requiring legislative advice and consent. Failure to comply with
10 this Subsection *shall* render the actions of a defective appointee null and void.

11 (e) An appointed board *or* commission member *may* continue to serve for
12 ninety (90) calendar plus three (3) legislative days in that persons position after
13 that persons term has expired in an acting holdover capacity until that person, or
14 another person, is appointed by *I Maga’lahen Guåhan* [Governor] and
15 confirmed by *I Liheslaturan Guåhan* [the Legislature].”

16 (b) Subsection (a) of this Section *shall* be effective sixty (60) days from
17 enactment this Act.

18 **Section 32. Compensation Authorization for Public Auditor.**

19 Notwithstanding any other provision of law, the Director of Administration *shall*
20 adjust the compensation of an unclassified employee in the Office of the Public
21 Auditor, who was hired above Step 10 after October 1, 2007. Failure to comply with
22 this Section *shall* result in the de-appropriation of the total amount of compensation
23 paid in violation hereof from the budget of the non-compliant agency. The provision
24 contained herein *shall* be effective as of the date upon which the original provision
25 through the passage of the fiscal year 2008 budget took effect. *If* any provisions of
26 this Act *or* its application to any person *or* circumstance is found to be invalid *or*

1 contrary to law, such invalidity *shall not* affect other provisions or applications of this
2 Act which can be given effect without the invalid provisions or applications, and to
3 this end the provisions of this Act are severable.

4 **Section 33. Management Audit of the Meals Reimbursement Program.**

5 The Public Auditor *shall* conduct a comprehensive financial and management audit of
6 cash collections for meals served, and the costs and benefits of the Meals
7 Reimbursement Program and the legally mandated privatization of cafeteria services
8 and maintenance services at the Guam Public System encompassing the period since
9 the initiation of the privatized services to the present. The audit report *shall* be
10 presented to the Guam Legislature, the Governor and the Guam Education Policy
11 Board *no later than* sixty days after the enactment of this law. The audit report *shall*
12 contain specific recommendations for any necessary reform in order to save taxpayer
13 dollars.

14 **Section 34. Item (a) of §34128 of Chapter 34, Title 5, Guam Code**
15 **Annotated is hereby *amended* to read:**

16 “(a) Whenever the Superior Court of Guam issues *or* modifies an order
17 concerning , including provisions for child support in divorce decrees, the court
18 *shall* include health care insurance coverage for the child or children as part of
19 both parents obligation of support for health insurance if health care insurance
20 is available at a reasonable cost. The court *shall* determine the burden of
21 obligation of support for health insurance from either or from both parents in
22 the best interest of the child or children. Any order for health care insurance
23 *shall* be enforceable against the custodial parent and/or the non-custodial
24 parent.”

25 **Section 35. Item (f) of § 34118 of Chapter 34, Title 5, Guam Code**
26 **Annotated is hereby *amended* to read:**

1 “(f) Either parent of a child for whom child support has been
2 previously ordered *may* petition the Family Court, Hearings Division *or* the
3 Child Support Enforcement Agency *not more than* once every three (3) years
4 for review and adjustment of the child support order *without having* to show a
5 change of circumstances. Either parent may petition the Family Court, Hearings
6 Division *or* the Child Support Enforcement Agency for review and adjustment
7 of the child support order more than once in any three (3) year period *if* the
8 second *or* a subsequent request is supported by proof of a substantial *or*
9 material change of circumstances. *If* the custodial parent is receiving *or* has
10 received assistance from a state program funded by Title IV, Part A of the
11 Social Security Act, the Child Support Enforcement Agency *shall* review every
12 three (3) years from the effective date of the Order, and, *if* appropriate, *shall* file
13 in Superior Court either a motion *or* stipulation to adjust the order. Regardless
14 of whether the custodial parent is receiving *or* has received public assistance,
15 the Child Support Enforcement Agency *shall* review every three (3) years from
16 the effective date of the Order, and, *if* warranted, *shall* file in Superior Court a
17 motion *or* stipulation to adjust an order by applying the Child Support
18 Enforcement Agency guidelines *or* by applying a Cost of Living Adjustment to
19 the order. The Child Support Enforcement Agency may use automated
20 methods to identify orders to review and adjust pursuant hereto.”

21 **Section 36. Subsection (c) of §4101, Article 1, Chapter 4 of Title 4, Guam**
22 **Code Annotated, is hereby repealed and reenacted to read:**

23 “(c) All new employment in the service of the government of Guam
24 *shall* have, as a reasonable measure of job performance, minimum requirement
25 of high school diploma *or* a successful completion of General Education
26 Development (GED) test *or* any equivalent of a general education high school

1 program, apprenticeship program *or* successful completion of certification
2 program, from a recognized, accredited *or* certified vocational technical
3 institution, in specialized field required for the job.”

4 This Subsection *shall not* be applicable to the Summer Youth
5 Employment and any person with a disability which prevent him or her from
6 complying with this Section consistent with the Americans with Disabilities Act
7 or its successors laws.”

8 **Section 37. Audit of CLTC Leases.** The Public Auditor *shall* conduct a
9 financial and management audit of cost and benefits of the commercial leases of the
10 Chamorro Land Trust encompassing the period since the initiation of the commercial
11 lease program to the present. The Audit report *shall* be presented to the Guam
12 Legislature and the Governor *no later than* sixty (60) days after the enactment of this
13 law.

14 **Section 38. Amendments to Lada Estates Lease to Own Program.** *Amend*
15 **Section 5 and 5.1 of P.L. 20-255, as amended by P.L. 25-116; add a new Section**
16 **6.1 to P.L. 20-255; and to amend §14117 of Chapter 14, Title 12 GCA.**

17 (a) Section 5 of P.L. 20-225, is hereby *amended* and *shall* read as
18 follows:

19 “Section 5. Allocation. Units *shall* be allocated to families with a
20 combined income that *does not exceed* up to one-hundred and fifty
21 percent (150%) of the median income level for Guam households as
22 established the U.S. Department of Housing and Urban Development
23 (HUD).”

24 (b) Section 5.1 of P.L. 20-225, as *amended* by P.L. 25-116, the Lease-
25 to-Own Housing Program Act of 2000, is hereby *amended* and *shall* read as
26 follows:

1 **“Section 5.1. Development.** Guam Housing Corporation may
2 accept proposals to develop the Lada Estates property (the “Property”)
3 through the appropriate procurement process as defined in 5 GCA
4 Chapter 5 from a developer who will use the property solely to develop
5 affordable Housing utilizing programs pursuant to any existing Guam or
6 U.S. Federal Government programs either as rental development or
7 homeownership programs to families that qualify under Section 5 of P.L.
8 20-225: Allocation.”

9 **(c)** *If any provision of P.L. 20-225, as amended, conflicts with Section*
10 *5 and 5.1, as amended herein, then this Section 5 and 5.1 shall supersede.*

11 **(d) A new Section 6.1 is hereby added to P.L. 20-225 to read as**
12 **follows:**

13 **“Section 6.1. Prices for Rental Development.** Rental
14 developments *shall* be developed for families whose income *do not*
15 *exceed* up to one hundred and fifty (150%) of the median income for
16 Guam households as established by the U.S. Department of Agriculture
17 (“USDA”) and the U.S. Department of Housing and Urban Development
18 (“HUD”).”

19 **(e) §14117 of Chapter 14, Title 12 GCA is amended to read:**

20 **“§14117.(a) Definition of Adequate Water line.**

21 The term *adequate water line*, wherever used or referred to in this
22 Article or in any indenture entered into pursuant hereto, *shall* mean a
23 water line that can provide or be made to provide potable water to the
24 premises.

25 **(b) Denial of Water Services.** Notwithstanding any other
26 provision of law, the Guam Waterworks Authority *shall not* deny any

1 person a water meter or water services whenever an applicant for a water
2 meter or water services has paid all necessary basic connection fees or
3 offered to pay such basic fees, when there is an adequate water line
4 within one hundred feet (100') of the applicant's property boundary, or
5 when an existing waterline is within one hundred feet (100') of an
6 applicant's boundary that can be made operational by Guam Waterworks
7 Authority connecting it to any main water line."

8 **Section 39. Department of Administration Authorized to *promulgate* and**
9 ***amend* Personnel Rules to allow for law Enforcement Departments or Agencies to**
10 **request for Eligibility Lists with Twice the Amount of Applicants as there are**
11 **Available Positions.**

12 The Department of Administration *shall promulgate* and *amend* Personnel
13 Rules, within sixty (60) days that will allow for Eligibility Lists to consist of twice the
14 amount of applicants as there are available positions for Law Enforcement
15 Departments or Agencies. Such rules *shall* include a clause for the Law Enforcement
16 Department or Agency Head to certify that there is a critical shortage of personnel
17 within the department or agency and the rule of four *will not be*, or *has not been*,
18 sufficient in meeting the needs of the department or agency. The rules providing the
19 authority for the expanded eligibility lists *shall* expire September 30, 2014.

20 **Section 40. 11 GCA Division 4, Chapter 103, Section §103102 (c) is**
21 **hereby *amended* to read:**

22 "(c) The Commissioner *shall* have the following minimum qualifications;
23 a total of ten (10) years of experience in a managerial position in any of the
24 following areas:

25 (1) credit risk, loan portfolio quality, payments, liquidity
26 management, asset funding, investment banking and securities, bank

1 operations, and/or regulatory compliance in a bank chartered by the
2 United States or one (1) of its states or territories or Guam; or

3 (2) administration, sales, law, counseling, education, actuarial,
4 and/or regulatory compliance in an insurance company, brokerage or
5 agency registered to do business in the United States or one (1) of its
6 states or territories or Guam; or

7 (3) experience in a management or supervisory position within a
8 government agency or other regulatory body with responsibility and
9 authority for oversight, regulation and compliance activities of
10 institutions and organizations in §103102 (c) (1) and §103102 (c) (2).”

11 **Section 41. Property Management Officer for Department of**
12 **Corrections.** Notwithstanding any other provision of law, the Department of
13 Corrections is authorized to hire a Property Management Officer in the unclassified
14 service, pursuant to the Department of Administration’s rules and regulations
15 pertaining to unclassified employees, until the Civil Service Commission approves
16 and implements the Department of Corrections request that the position of Property
17 Management Officer be included in the classified service. The Civil Service
18 Commission *shall* establish this position in the classified service within 90 days of
19 enactment of this Act and *shall* submit a report to *I Liheslatura* within 90 days.

20 **Section 42. §77119 of Title 10, of the Guam Code Annotated, is hereby**
21 ***amended to read:***

22 “§77119. **Assignment of Police Officers.** The Chief of Police, or his
23 designee, may assign police officers consistent with the needs of the
24 Department to the villages so as to be the most efficient in carrying out the
25 purposes of the Department to preserve the peace, to enforce the law and to
26 prevent and detect crime. The Chief of Police may assign those hired as

1 limited term police officers to serve as a school resource officer, who at the
2 minimum will be responsible for addressing drugs and violence in the schools,
3 the investigation of criminal activity involving juveniles, and other duties as
4 agreed upon by the parties in a Memorandum of Understanding and whose
5 employment *shall* be on a school-year basis.”

6 **Section 43. Amendment to Chapter 8, Article 1, Subsection (a) of § 8121 of**
7 **Title 4 GCA.** Chapter 8, Article 1, Subsection (a) of § 8121, Title 4 Guam Code
8 Annotated is hereby *amended* to read as follows:

9 **“§8121. Same. Suspension of Annuity Payment.**

10 (a) A retired member who subsequently becomes an employee
11 eligible for membership under §8106 of this Title *prior* to January 1,
12 1999, shall, upon becoming so employed, have that member’s right to
13 receive payment of that member’s annuity suspended for the duration of
14 that member’s employment, but all other rights pertaining to that
15 member’s annuity provided by this Article, including automatic increases
16 therein, shall be retained by that member. The provisions of this Section
17 *shall not* be applicable to any retired Judge or Justice designated and
18 assigned by the Chief Justice to perform judicial duties in the courts of
19 Guam as provided for in § 6115 of Title 7 GCA, or any person employed
20 by the Guam Public School System in Guam schools, as a substitute
21 teacher or as a Certified Augmentation Teaching Service (CATS)
22 employee as that term is defined by Title 17 GCA § 3127(b). Such
23 employment *shall* be subject to the provisions of Items (d) of this
24 Section.

25 The provisions of this Section *shall not* be applicable to any
26 certified, registered or licensed health care professional, or ancillary

1 service personnel, employed by the Guam Memorial Hospital Authority,
2 the Department of Mental Health and Substance Abuse, the Department
3 of Public Health and Social Services, academic faculty positions at the
4 University of Guam and the Guam Community College, or a limited term
5 police officer employed by the Guam Police Department to include
6 Police Officers I, II, III and Sergeant I & II, performing duties such as
7 patrol officers, narcotic officers, criminal investigators, juvenile
8 investigators, criminal investigators, crime scene investigators and school
9 resource officers; provided, that such person(s) occupies such positions
10 for which no other qualified/certified applicants was available, and that
11 such employment shall be on a fiscal year basis; subject to the provisions
12 of Subsection (d) of this Section.”

13 **Section 44. Forensic Science Laboratory for the Judicial Council.**

14 Subsection (a) of Section 9510 of Title 7 Guam Code Annotated, is hereby *amended*
15 to read:

16 “(a) The Judicial Council is hereby authorized to provide for the
17 design, construction and collateral equipment of a forensic science laboratory
18 by entering into a financing arrangement with the U.S. Department of
19 Agriculture, or other financing source, with a lower cost of funds, *not to exceed*,
20 Seven Million Three Hundred Thousand Dollars (\$7,300,000) for a term *not to*
21 *exceed* forty (40) years.

22 If the Judicial Council deems it in the best interest of the Community, it
23 may delegate or assign any or all of the following tasks of design, construction,
24 purchase of collateral equipment and negotiation and/or execution of financial
25 instruments to the Guam Community College. The terms of any debt *shall* be
26 approved by the Judicial Council to ensure that the fund’s ability to repay the

1 Judicial Building Loan (Government of Guam Promissory Note to Farmers
2 Home Administration – Superior Court Note) is *not* adversely affected.
3 Repayment of any loan or other commitment shall be made utilizing funds from
4 the Judicial Building Fund.

5 The Judicial Council is authorized, when obtaining the financing for the
6 forensic science laboratory, as described in this Subsection, to consolidate the
7 Seven Million Three Hundred Thousand Dollars (\$7,300,000) with existing
8 obligations of the Judicial Building Fund, up to a maximum total of Eleven
9 Million Dollars (\$11,000,000), in order to realize savings in its annual payment
10 obligation for these loans.”

11 **Section 45. Judicial Center and Forensic Lab Maintenance** §9511 of
12 Title 7 Guam Code Annotated, is hereby *added* to read

13 **“§9511. Maintenance of Judicial Center and Forensic Science**
14 **Building and Equipment.** *After* the debt service obligations are met to repay
15 any debts funded by the Judicial Building Fund, such remaining sums as are
16 needed for maintaining the Judicial Center and Forensic Science Building *shall*
17 be expended from available funds in the Judicial Building Fund.”

18 **Section 46. Who May Solemnize Marriage.** §3204 of Title 19 G.C.A.,
19 Chapter 3, Article 2, is *amended* to read:

20 **“§3204. Who May Solemnize Marriage.** Marriage may be solemnized
21 by:

22 (a) The Governor of Guam or his substitute;

23 (b) The judges of the District Court, and Superior Court;

24 (c) All ordained clergymen and priests of whatsoever religious faith who
25 are recognized as such by the religious body whose faith they represent;

1 (d) The Director of Revenue and Taxation or the Director of
2 Administration;

3 (e) The Speaker of the Guam Legislature, or his/her designee;

4 (f) All village mayors and vice mayors.”

5 **Section 47. Marriage Licenses.** A new item (a)(10) is *added* to Title 19
6 G.C.A. Chapter 3, §3202 to read:

7 “(10) Whether the applicants elect to have their marriage solemnized by a
8 village mayor or vice mayor.”

9 **Section 48. Marriage Fees.** A new subsection (j) is *added* to Title 19 G.C.A.
10 Chapter 3, §3202 to read:

11 “(j) All applicants electing to have their marriage solemnized by a village
12 mayor or vice mayor *shall* pay to the Treasurer of Guam Fifty Dollars (\$50.00),
13 which *shall* accompany the application for a marriage license. A copy of the
14 marriage license *shall* be submitted by the applicants to the mayor or vice
15 mayor’s office showing payment of the fee.”

16 **Section 49. Deposit and Credit of Marriage Fees.** A new subsection (k) is
17 *added* to Title 19 G.C.A. Chapter 3, §3202 to read:

18 “(k) The Director of Revenue and Taxation *shall* deposit all fees
19 collected pursuant to subsection (j) of this Section into the Community
20 Development Fund. The fees *shall* be credited to the account of the respective
21 village when the Director of Administration is in receipt of documentation from
22 the mayor or vice mayor that a marriage has been solemnized.”

23 **Section 50. Community Development Fund.** Subsection (c) of §40119, Title
24 5, Guam Code Annotated, is *amended* to read:

25 “(c) Procurement.

1 (1) The Mayors' Council of Guam is authorized under §6959.3 of the
2 Procurement Law to procure supplies or services of less than Fifteen Thousand
3 Dollars (\$15,000.00) without the approval of the General Services
4 Administration.

5 (2) Mayors are authorized to use the fees collected and deposited in
6 accordance with §3202(j) & (k) of Title 19 G.C.A., Chapter 3, to procure
7 services and supplies for the maintenance of parks as listed in §40113 of this
8 Chapter; for the planting of trees, plants, and flowers; for maintenance of street
9 signs; for replacement of street lights; and for landscape maintenance.”

10 **Section 51. Guam Fire Department Equipment Purchases.** *Add a new*
11 §72108 to Title 10, Guam Code Annotated, to read:

12 **“§72108. Authorization to Borrow.** (a) *I Maga'lāhen Guåhan* is
13 authorized by this Section to enter into a debt agreement on behalf of the
14 Government of Guam for the *sole* purpose of financing the purchasing and
15 shipping of equipment for the Guam Fire Department and to secure such loan
16 by proceeds from the FLAME Fund (10GCA §72106). *I Maga'lāhen shall*
17 enter into such an agreement subject to the concurrence of the Legislature by
18 statute, and the members *shall not* incur any personal liability for any loan
19 agreement lawfully entered into. The debt agreement *shall* become effective as
20 of the date the Legislature concurs by statute. 12 GCA 2103(k) *shall* apply to
21 the loan obtained pursuant to this Chapter. The term of the debt agreement
22 *shall not exceed* ten (10) years. For purposes of this Section, the form of the
23 debt instrument for the “debt agreement” may be a loan, bond *or* other form of
24 debenture. The choice of the debt instrument *shall* be the instrument with the
25 lowest cost of funds in terms of *net present value* of the origination costs and
26 future payments.”

(b) Equipment to be purchased:

Item	Quantity	Estimate (ea)	Cost	Cost Total
Highrise Apparatus - Ladder Truck Extension	1		1,300,000	\$1,300,000
Highrise Apparatus - Elevated Platform	1		1,300,000	1,300,000
Fire Trucks (fully equipped)	4		500,000	2,000,000
Tankers (5,000 Gallons)	2		300,000	600,000
Ambulances (fully equipped)	4		275,000	1,100,000
Rescue Boats (fully equipped)	2		390,000	780,000
Heavy Duty trucks (tow boats)	2		50,000	100,000
District Commander Vehicles	2		40,000	80,000
Jet Skis (fully equipped)	3		20,000	60,000
Special Rescue Vehicles (ALS)	3		50,000	150,000
Defibrillators (one for each fire truck)	10		30,000	300,000
Emergency Equipment (Jaws of Life, etc.)				80,000
Total				\$7,850,000"

Section 52. Funding for Pale San Vitores Road Improvements.

Amendment to §§17 of the "Exhibit B" attachment to §22958 of Article 10, Chapter 22, Division 2 of Title 5, Guam Code Annotated. §17 of the "Exhibit B" attachment to §22958 of Article 10, Chapter 22, Division 2 of Title 5, Guam Code Annotated, is *amended* to read:

"§17. The sum *not to exceed* Four Million Two Hundred Thousand Dollars (\$4,200,000.00) of the unused balance for roadway repairs and resurfacing of Pale San Vitores Road, and for upgrades and repairs to the Tumon Area infrastructure."

Section 53. §13109, Chapter 13 of Title 2, Guam Code Annotated is *amended* to read:

1 **“§13109. Executive Branch Accounting, Financial, and Economic**
2 **Services.** *I Maga’lahen Guåhan shall* provide the Office of Finance and Budget
3 with any and all information and services it requires to fully execute this
4 Chapter.

5 (a) Reports The following reports *shall* be submitted to *I Liheslaturan*
6 *Guåhan* as indicated:

7 (1) *No later than* thirty (30) days *after* the end of each month of a fiscal
8 year, the Director of the Bureau of Budget and Management Research *shall*
9 report the revenue tracking for the General Fund, the Tourist Attraction Fund,
10 Solid Waste Operations Fund (Tipping Fees), Territorial Education Facilities
11 Fund, and the Guam Highway Fund for the balance of the fiscal year, based
12 upon the actual collections of the preceding month, and prepare a comparative
13 statement of “actual” and “projected” revenues. Such information *shall* be
14 compiled in a report, in collaboration with the Director of Revenue and
15 Taxation and the Director of Administration, certified by the Director of the
16 Bureau of Budget and Management Research, and submitted to the Speaker of *I*
17 *Liheslaturan Guåhan no later than* thirty (30) days *after* the end of each month
18 of the fiscal year;

19 (2) On January 30, 2008 and July 1, 2008, and on a semiannual basis
20 thereafter, the Director of the Bureau of Statistic and Plans in coordination with
21 Department of Labor *shall* report the impact of federal expenditures, including
22 projections of federal expenditures on Guam, on Guam’s economic growth,
23 employment, tax revenues, and other variables, for the next year compared with
24 the previous five (5) years; identify significant federal expenditures *or* potential
25 expenditures on Guam affecting military bases, installations, active duty and
26 retired military personnel within Guam, as well as any impact of the changes in

1 these expenditures. Such information *shall* be compiled in a report, certified by
2 a majority of the members of the Special Economic Service, and submitted to
3 the Speaker of *I Liheslaturan Guåhan*;

4 (3) On January 30, 2008 and July 1, 2008, and on a semiannual basis
5 thereafter, the General Manager of the Guam Visitors Bureau in coordination
6 with the Government of Guam's Chief Economist *shall* report the impact of
7 tourism expenditures on Guam's economy and employment, including
8 projections of tourism expenditures on Guam, on Guam's economic growth,
9 employment, tax revenues, and other variables, for the next year compared with
10 the previous five (5) years; identify significant tourism expenditures *or*
11 potential expenditures coming into Guam affecting tourism as well as the
12 impact of the changes in these expenditures. Such information *shall* be
13 compiled in a report, certified by a majority of the members of the Special
14 Economic Service, and submitted to the Speaker of *I Liheslaturan Guåhan*; and

15 (4) The Director of the Bureau of Budget and Management Research
16 *shall* report the long-range forecasts of revenues and expenditures for each of
17 the five (5) years immediately beyond the budget year. Such information *shall*
18 be compiled in a report, certified by a majority of the members of the Special
19 Economic Service and submitted to the Speaker of *I Liheslaturan Guåhan*."

20 **Section 54. Section 12 of Public Law 29-69 is hereby repealed.**

21 **Section 55. Repeal and reenact §57102 of Chapter 57, Title 10 GCA to**

22 **read:**

23 **"§57102. Requirement for Guam Identification Card.**

24 Any non-United States citizen applying for *any* service of the
25 government of Guam must possess and present a Guam Identification
26 Card as a condition of eligibility."

1 **Section 56. Air Ambulance Services Membership Plan. (a) Legislative**
2 **Findings and Intent.** *I Liheslaturan Guahan* finds that there is a critical need for air
3 ambulance services to assist the people of Guam in the event of life-threatening illness
4 or injury, particularly when those injuries or illnesses require a higher level of care
5 than that which is available at the Guam Memorial Hospital or *any* other health care
6 facility in Guam.

7 Further, *I Liheslatura* finds that many Guam residents cannot afford the cost of
8 air ambulance services due to the high cost of maintenance of aircraft, fuel, and
9 adequate personnel to provide these services to Guam residents and that Guam has a
10 definite need for air ambulance service due to our island's remote location and lack of
11 specialized medical care at an affordable price.

12 Guam suffers a definite shortage of highly specialized medical facilities,
13 technology and physicians such as neurosurgeons, orthopedic surgeons, cardiologists
14 and cardiothoracic surgeons. Guam's great distance from metropolitan trauma centers
15 and its short supply of specialized medicine, coupled with significant projected
16 population growth and high rates of chronic and serious diseases such as heart disease,
17 stroke, cancer, diabetes, obesity, and urological disorders underscores a critical need
18 for air ambulance service.

19 Further, *I Liheslaturan Guahan* finds that there are currently only four (4) ways
20 by which Guam patients might meet the unavoidably high cost of air ambulance
21 service: (1) "self-pay;" (2) special provision via health insurance coverage; (3)
22 financial support of non-profit foundations benefiting the island's needy; and (4)
23 reimbursement through the Medically Indigent Program. Since most of Guam's
24 present and future population fall outside of the aforementioned categories for air
25 ambulance coverage, then it is important to support and enable innovations that make
26 air ambulance services universally affordable and accessible.

1 *I Liheslatura* additionally finds that air ambulance membership plans are a
2 particular innovation that would allow the broadest possible access to the service,
3 whereby individuals can contract for air ambulance services by paying an annual fee.
4 In exchange for the annual fee, the member will be entitled to obtain air ambulance
5 services upon written certification of the member's physician that: (1) the member is a
6 candidate for off-island medical services and treatment; and (2) the physician has
7 located a receiving hospital that is willing to accept the member as a patient.

8 The air ambulance services include round-trip air flight between Guam and the
9 receiving destination, the services of a licensed physician and nurse, state of the art
10 medical equipment on board the aircraft, and U.S.-Federal Aviation Administration-
11 certified air ambulance pilots and aircraft.

12 Although the Guam insurance code *does not* appear to apply to such air
13 ambulance membership plans, *I Liheslatura* finds it to be best for the health and safety
14 of the people of Guam to explicitly exempt air ambulance membership plans from the
15 Guam Insurance Code in order to provide the People of Guam with this critical and
16 much-needed service.

17 It is therefore the intent of *I Liheslaturan Guahan* to amend the Guam Insurance
18 Code in order to define "Air Ambulance Membership Plans," and to provide an
19 exemption from for such contracts between air ambulance service providers and
20 members *or* enrollees in which such providers provide air ambulance services for
21 members *or* enrollees in exchange for an annual fee.

22 **(b) A new Title 22 Guam Code Annotated Chapter 12 §12104(ii) is hereby**
23 ***added to read:***

24 **"Section 12104(ii).** "Air Ambulance Services" means the emergency
25 and non-emergency transportation of a doctor-qualified patient-candidate for
26 higher level care from Guam to another location by a legally authorized air

1 ambulance in which health care services, including advanced life support
2 services, are provided to the patient for the duration of such transportation.”

3 (c) A *new* Title 22, Guam Code Annotated Chapter 12 §12104(jj) is hereby
4 *added* to read:

5 “§1210Q(jj) . “Air Ambulance Services Membership Plan” means a plan
6 contract between air ambulance services providers and members or enrollees in
7 which such providers provide air ambulance services for its members or
8 enrollees in exchange for an annual fee.”

9 (d) A *new* Title 22 Guam Code Annotated Chapter 12 §12113 is hereby
10 *added* to read:

11 “§12113. Air Ambulance Services Membership Plan Exempted. The
12 provisions of this Chapter shall not prohibit or apply to Air Ambulance Services
13 Membership Plans.”

14 **Section 57. Airport Rescue and Fire Fighting Division Compensation**
15 **Pay.** §55102 (a), Chapter 55, Title 10, Guam Code Annotated, as *amended* by Public
16 Law 29-105, is hereby *amended* to read:

17 “(a) The Director of Administration *shall* perform a review of the
18 compensation, benefits, position requirements, and duties of public safety and
19 law enforcement officers of the government of Guam, including those
20 employed at the Courts of Guam, Guam Police Department, Guam Fire
21 Department, Department of Corrections, Customs and Quarantine Agency, Jose
22 D. Leon Guerrero Commercial Port Authority Police, A. B. Won Pat
23 International Airport Authority Police, A.B. Won Pat International Airport
24 Authority Airport Rescue and Firefighting Division, Department of Parks and
25 Recreation, Department of Agriculture, Attorney General’s Office, and the
26 Department of Youth Affairs, in order to provide internal equity and external

1 competitiveness. The review *shall* develop a Compensation Plan which treats
2 all aspects of compensation (base salaries, benefits, pay differentials, and other
3 factors) as a total reward and incentive package for employees, with said Plan
4 to be uniformly administered throughout the government.”

5 **Section 58. A new Paragraph (h) is hereby added to §4109 of Article 1,**
6 **Chapter 4 of Title 4 of the Guam Code Annotated to read as follows:**

7 “(h) Any employee of the government of Guam who has been qualified
8 as a donor for medical purposes and has received notice that the employee has
9 been determined to be a match *shall* be granted leave with pay by his or her
10 respective department director or appointing authority for the time it takes to
11 complete the medical procedure involved, *not to exceed* ten (10) working days.”

12 **Section 59. §4610 of Article 6 of Chapter 4 of Title 4 of the Guam Code**
13 **Annotated, as enacted by Public Law No. 29-97, is amended as follows:**

14 “§4610. **Reactivation of Registered Guam Telephone Authority**
15 **Employees.** Notwithstanding any other provision of this Article, former Guam
16 Telephone Authority employees who had previously registered with the
17 Department of Administration and have *not* been placed under the Enhanced
18 Placement Program, whether or *not* they have been placed pursuant to
19 competitive employment within any entity of the government after registering
20 for and becoming eligible for the Enhanced Placement Program, *shall* be
21 reactivated as Enhanced Placement registrants for a period of one (1) year
22 effective the date of this Act and *shall* be eligible for placement at only
23 autonomous departments and agencies and public corporations such as: Guam
24 Community College, Guam Power Authority, Guam Waterworks Authority,
25 J.D. Leon Guerrero Commercial Port Authority, the University of Guam and
26 the A.B. Won Pat International Airport Authority. This opportunity *shall not*

1 apply to those registrants who have declined enhanced placement either
2 voluntary or involuntarily All former GTA employees who were placed in
3 positions within any entity of the government of Guam as a result of the GTA
4 Priority Placement Program or were placed pursuant to competitive
5 employment within any entity of the government after registering for and
6 becoming eligible for the Enhanced Placement Program, but were *not* given
7 credit for years of service when placed in the priority placement positions *shall*
8 have their current pay adjusted upwards, when necessary, to one that is closest
9 *but not more than* the pay they were receiving in their former position with
10 GTA.”

11 **Section 60. Restriction on the Home Use of Government of Guam**
12 **Vehicles.** *Except* when *expressly* permitted by Title 4, Guam Code Annotated,
13 §1103(c), *no* government of Guam owned, leased *or* rented vehicles may be driven
14 home by an employee *unless* such employee is on call as an emergency first
15 responder.

16 **Section 61. §52102 of Chapter 52 Division 2 of Title 11, Guam Code**
17 **Annotated, is amended to read:**

18 “§52102. **Appropriation to the Guam Public School System**
19 **Operations Fund.** The contents of the Guam Public School System Operations
20 Fund are appropriated to the Guam Public School System for the operations of
21 the Guam Public School System and for such improvements of the Guam
22 Public School System, including capital improvements, as may be found
23 necessary by the Superintendent of Education. This appropriation is continuous
24 and is contingent on the annual submission of a detailed budget, in accordance
25 with Chapter 3 of Title 17 of the Guam Code Annotated, to *I Liheslaturan*
26 *Guåhan*, notwithstanding any other provision of law. *I Liheslaturan Guåhan*

1 may appropriate supplemental amounts to the Guam Public School System. All
2 appropriations to the Guam Public School System *shall* be subject to the
3 allotment process administered by the Bureau of Budget and Management
4 Research (BBMR), and *shall* be subject to Title 5 GCA §4109(c)(3). The
5 Superintendent of Education *shall* submit a detailed quarterly report to *I*
6 *Liheslaturan Guåhan* on the receipt and expenditure of said funds *no later than*
7 thirty (30) days after the end of each fiscal quarter and post the same on the
8 GPSS website.”

9 **Section 62. Add new Article 15 to Chapter 22, Division 2 of Title 5,**
10 **Guam Code Annotated.**

11 **“Article 15**

12 **§221501. Indirect Cost Fund Creation.**

13 **§221502. Separate Fund and Bank Account.**

14 **§221503. Purpose.**

15 **§221504. Deposits and Expenditures.**

16 **§221505. Administration.**

17 **§221501. Creation.** There is hereby created, separate and apart from
18 other funds of the government of Guam, a fund known as the “Indirect Cost
19 Fund”.

20 **§221502. Separate Fund and Bank Account.** The Indirect Cost Fund
21 *shall not* be commingled with the General Fund or any other fund of the
22 government of Guam. The Indirect Cost Fund *shall* be maintained in a separate
23 bank account.

24 **§221503. Purpose.** The Indirect Cost Fund *shall* be expended by
25 appropriation by law for the following purposes:

- 26
 - Training such as Continuing Professional Education Credits, CPE.

1 • Negotiating and Administering the government of Guam's indirect
2 cost rate.

3 • Purchasing of Supplies and Equipment associated with Negotiating
4 and Administering the government of Guam's indirect cost rate.

5 **§221504. Deposits and Expenditures.** Deposits *shall* be made into the
6 Indirect Cost Fund from Federal Reimbursement, for Executive Line Agency
7 Claims *or* Claims on Indirect Cost based on a negotiated and approved Indirect
8 Cost Rate from U.S. Department of Interior to be applied in administering
9 Federal Programs. Monies deposited in the Indirect Cost Fund *shall* be
10 expended for the following agencies:

- 11 • Department of Administration
- 12 • Bureau of Budget & Management Research
- 13 • Office of the Public Auditor
- 14 • Guam State Clearinghouse

15 **§221505. Administration.** The Director of Administration *shall*
16 account for and administer the Indirect Cost Fund. The Director shall keep all
17 books, records, files and accounts of the Indirect Cost Fund. The Director *shall*
18 prepare monthly reports relative to the Indirect Cost Fund reflecting the
19 transactions and the financial condition of the Indirect Cost Fund, which
20 monthly reports *shall* be transmitted to *I Liheslatura* and *I Maga'laha*
21 *Guåhan.*"

22 Section 63. §4119 of Chapter 4 of Title 5 of the Guam Code Annotated is
23 hereby *amended* to read:

24 **"§4119. Development and Implementation of Performance Based**
25 **Budgeting. (a)** The heads of the Department of Administration, the Bureau of
26 Budget and Management Research, the Department of Revenue and Taxation,

1 the Department of Public Works, the Department of Parks and Recreation, the
2 Department of Land Management, the Department of Agriculture, and the
3 Bureau of Statistics and Plans *shall* develop and implement Performance Based
4 Budgeting *no later than* September 30, 2009. Appropriate employees of said
5 agencies *shall* attend all workshops and training opportunities regarding
6 Performance Based Budgeting offered by the Department of Administration.

7 (b) Non-compliance of the heads of the departments and agencies noted
8 in subsection (a) of this Section to the deadlines as established by the Bureau of
9 Budget and Management Research to meet the Performance Based Budgeting
10 implementation deadline of September 30, 2009 *shall* cause a penalty to be
11 applied against the current salaries of the heads of the departments and agencies
12 equal to a twenty percent (20%) reduction in salary. The Directors of both the
13 Bureau of Budget and Management Research and the Department of
14 Administration *shall* ensure the application of this penalty.”

15 **Section 64. §3132 of Chapter 3, Title 17 of the Guam Code Annotated, is**
16 **hereby *amended* to read:**

17 “§3132. **Central Office Budgeting.** (a) Guam Public School System
18 (GPSS) *shall* develop and implement Performance Based Budgeting for all
19 Central Office Operations *no later than* September 30, 2009. Appropriate
20 GPSS employees *shall* attend all workshops and training opportunities offered
21 by the Department of Administration regarding Performance Based Budgeting.

22 (b) Non-compliance of the head of GPSS to Subsection (a) of this
23 Section and to deadlines as established by the Bureau of Budget and
24 Management Research to meet the Performance Based Budgeting
25 implementation deadline of September 30, 2009 *shall* cause a penalty to be
26 applied against the current salary of the head of GPSS equal to a twenty percent

1 (20%) reduction in salary. The Guam Education Policy Board *shall* ensure the
2 application of this penalty.”

3 **Section 65. §1604 of Title 1, Guam Code Annotated, is hereby *amended***
4 **to read:**

5 **“§1604. Administrative Support for the Compiler of Laws.** The
6 Supreme Court of Guam *shall* provide technical, clerical, and administrative
7 support to the Compiler of Laws. In the exercise of the responsibilities
8 included in this Chapter, the Supreme Court of Guam may:

9 (a) Accept grants, contributions, appropriations, and payments
10 for the publications of the office;

11 (b) Employ such professional *or* clerical staff as necessary for
12 the operations of the Compiler of Laws, in accordance with the
13 Personnel Rules and Regulations of the Judicial Branch promulgated
14 by the Judicial Council; and

15 (c) Enter into contracts as necessary for the operations of the
16 Compiler of Laws, in accordance with the law and the Rules and
17 Regulations promulgated by the Judicial Council.”

18 **Section 66. §3111.1 of Title 17, of the Guam Code Annotated, is hereby**
19 ***amended to read:***

20 **“§3111.1 Provision for Staggered Elections.**

21 (a) *Except* as provided in Subsection (b) of this § 3111.1, each
22 member of the Board *shall* be elected to serve a term of four (4) years,
23 commencing at 12:00 noon on the first Monday in January following
24 their election.

25 (b) At the election for members of the Board held at the General
26 Election in November 2008, and only at this election, four (4) candidates,

one (1) from each of the four (4) districts, *shall* each serve four (4) year terms, and five (5) candidates *shall* each serve two (2) year terms as follows:

(1) Upon the Guam Election Commission's determination of the nine (9) successful candidates, the successful candidate in each district who received the highest number of votes *shall* be certified to serve a four (4) year term. The remaining successful candidates in each district *shall* be certified to serve two (2) year terms.

(c) Effective beginning with the November 2008 election, *no* write-in candidates for the Guam Education Policy Board *shall* qualify to be elected to sit on the Policy Board *unless* he/she receives votes *equal* to at least ten percent (10%) of the total number of the valid ballots cast for that office in the district in which he/she is a candidate."

Section 67. Uniform Allowance. All law enforcement and public safety uniformed personnel, as defined by Title 4 GCA §8104(p), *shall* receive 'uniform allowance' of *not less than* Three Hundred Fifty Dollars (\$350) per year *no later than* December 31st of the Fiscal Year. An agency may provide uniforms in lieu of said allowance, but *shall* provide the uniform *no later than* December 31st of the fiscal year.

Section 68. §27026 of Title 17 of the Guam Code Annotated is hereby amended to read:

"§27026. Prior Certification Standards. All certification standards and requirements adopted by the Guam Education policy board *prior* to the enactment of this Chapter *shall* remain effective *unless* they are *amended or repealed* by the Commission in a manner consistent with the provisions of this

1 Chapter. The Guam Commission for Educator Certification *shall* adopt rules
2 which honor unexpired teaching, guidance counselor, school librarian, and
3 school administrator certifications issued by GPSS before the effective date of
4 the GCEC.”

5 **Section 69. Moratorium on Infrastructure or Construction.** Commencing
6 April 2, 2009, *any* government of Guam entity proposing a moratorium on
7 construction *or* infrastructure projects *shall* present the proposal to *I Liheslaturan*
8 *Guåhan* for action. The proposal *shall* include a cost-benefit analysis and impact
9 statement justifying and documenting the request. *I Liheslatura shall* have sixty (60)
10 calendar days to act on the proposal.

11 **Section 70. §15105 of Chapter 15, of Title 21 of the Guam Code Annotated**
12 **is hereby *amended* to read as follows:**

13 **“§15105. Funding for Exercise of Eminent Domain.**

14 (a) The power of Eminent Domain may be exercised by the government
15 of Guam upon authorization and appropriation by the Guam Legislature of
16 funds necessary for payment of just compensation. Such power *shall* be
17 exercised by the Governor of Guam

18 (b) The power of Eminent Domain may also be exercised by the
19 government of Guam upon authorization and appropriation of funds by the
20 Congress of the United States for public use within Guam. An appropriation by
21 the Congress of the United States for a specific public use and corresponding
22 authorization by the Guam Legislature via duly *enacted* legislation *shall* be
23 deemed to authorize the acquisition by condemnation *or* otherwise of private
24 property for such use.”

25 **Section 71. Interest from Economic Stimulus to be used for the**
26 **Department of Revenue and Taxation Overtime.** All interest generated by

1 Economic Stimulus Rebate accounts is hereby appropriated (1) to the Department of
2 Revenue and Taxation for payment of overtime of Department of Revenue and
3 Taxation employees processing said rebates; and (2) to the Department of
4 Administration for costs of mailing said rebates. This appropriation *shall not* be
5 subject to transfer by the Governor.

6 **Section 72. Garnishment of Rebates and Refunds.** *If* the taxpayer has a
7 current payment arrangement agreement with the government entity for the payment
8 of the outstanding liability of the taxpayer to such entity, the Director of the
9 Department of Revenue and Taxation *shall not* garnish the income tax refunds and the
10 economic stimulus payment owed to the taxpayer pursuant to United States Public
11 Law 110-185.

12 The Director of Revenue and Taxation *shall* garnish the income tax refunds and
13 the economic stimulus rebate payments pursuant to United States Public Law 110-185
14 of any taxpayer who is *not* in compliance with the payment arrangement for the
15 outstanding liability of the taxpayer with the government entity.

16 The Director of any agency who has a memorandum of understanding for the
17 garnishment of income tax refunds and the economic stimulus rebate payments
18 pursuant to United States Public Law 110-185 with the Department of Revenue and
19 Taxation *shall* forward the names of taxpayers who are *not* in compliance with their
20 payment arrangement for garnishment of the taxpayer's income tax refunds and the
21 economic stimulus rebate payments pursuant to United States Public Law 110-185.

22 **Section 73. §34.70 (f) of Title 9, Guam Code Annotated, is hereby *amended***
23 **to read:**

24 “(f) Any person violating subsections (b), (c), (d) or (e) shall be punished
25 by a fine of one thousand dollars (\$1,000.00) for the first offense, and two
26 thousand five hundred dollars (\$2,500.00) for the second offense; and for each

1 subsequent offense by a fine of five thousand dollars (\$5,000.00) or by
2 imprisonment for a term *not to exceed* one hundred twenty (120) days or by
3 both fine and imprisonment at the discretion of the court. In the case of a
4 minor, the parents or legal guardian *shall* be responsible for payment of all
5 fines. Failure of the parents or legal guardian to make payment will result in
6 the filing of a lien on the parents or legal guardian's property to include the fine
7 and court costs."

8 **Section 74. §34.70 (h) of Title 9 Guam Code Annotated, is hereby amended**
9 **to read:**

10 " (h) In addition to any punishment listed in subsections (f) and restitution
11 ordered under subsection (g), the court shall order any person found in violation
12 of subsection (b), (c), (d) or (e) to perform monitored community service in the
13 removal of graffiti of *not less than* two hundred fifty (250) hours and *not more*
14 *than* five hundred (500) hours."

15 **Section 75. §34.70 (i) of Title 9, Guam Code Annotated, is hereby amended**
16 **to read:**

17 " (i) In addition to any punishment listed in subsections (f), (g) and (h),
18 any adult convicted for violating subsections (b), (c), (d) or (e) is guilty of a
19 misdemeanor punishable by imprisonment for not less than a mandatory sixty
20 (60) days."

21 **Section . §34.70 (l) of Title 9 GCA is hereby amended to read:**

22 " (l) Every person who owns, conducts, operates or manages a retail
23 commercial establishment selling aerosol containers of spray paint or broad-
24 tipped indelible markers *shall*:

25 (1) Place a sign in clear public view at or near the display of such
26 products stating:

1 "GRAFFITI IS A CRIME. ANY PERSON DEFACING
2 REAL OR PERSONAL PROPERTY NOT HIS OR HER
3 OWN WITH PAINT OR ANY OTHER LIQUID OR
4 DEVICE IS GUILTY OF A CRIME PUNISHABLE BY
5 IMPRISONMENT OF UP TO ONE HUNDRED
6 TWENTY (120) DAYS AND/OR A FINE UP TO FIVE
7 THOUSAND DOLLARS (\$5.000.00)."

8 (2) Place a sign in the direct view of such persons responsible for
9 accepting customer payment for aerosol containers of spray paint or broad-
10 tipped indelible markers which states:

11 "IT IS A VIOLATION OF THE LAW TO SELL AEROSOL
12 CONTAINERS OF SPRAY PAINT OR BROAD-TIPPED
13 INDELIBLE MARKERS TO PERSONS UNDER 18 YEARS
14 OF AGE PUNISHABLE BY A CIVIL FINE OF TWO
15 HUNDRED FIFTY DOLLARS (\$250.00)."

16 **Section 76. §34.70 (m) of Title 9 GCA is hereby *amended* to read:**

17 "(m) Violation of subsection (l) shall result in a civil penalty of two
18 hundred fifty dollars (\$250.00) for a first offense and five hundred dollars
19 (\$500.00) for subsequent offenses. When three (3) violations of subsection (l)
20 occur within any calendar year at a commercial establishment, that
21 establishment shall be subject to an injunction from a court of competent
22 jurisdiction forbidding the sale of aerosol containers of spray paints and broad-
23 tipped indelible markers for a period up to two (2) years. Violation of such
24 injunction shall be punished by a fine of two hundred fifty hundred dollars
25 (\$250.00) per day of violation in addition to any other penalties levied by the
26 Court. Failure to make payment of fines will be subject to an injunction from a

1 court of competent jurisdiction forbidding the sale of aerosol containers of
2 spray paints and broad-tipped indelible markers until payment of the fine,
3 attorney's fees and costs."

4 **Section 77. §34.70 (n) of Title 9 Guam Code Annotated, is hereby *amended***
5 **to read:**

6 "(n) In addition to any punishment ordered under Subsection (f), (g), (h),
7 (i) and (j), the court *shall* immediately, upon conviction of an offender charged
8 with the defacement of property, revoke the license or instruction permit of any
9 driver in violation of this Section subject to a period of time described hereafter:

10 (a) after one (1) conviction, six (6) months;

11 (b) after a second or subsequent conviction, one (1) year for each
12 conviction.

13 Any person who was convicted of any offense as described in this Act
14 upon being eligible to receive a license or instruction permit, *shall not* be
15 eligible to receive a license or instruction permit until the entire penalty period
16 has elapsed.

17 Any prior convictions resulting in the revocation of a driver's license or
18 instruction permit *shall not* run concurrently with any existing or subsequent
19 suspension, revocation, cancellation or denial which is provided for by law."

20 **Section 78. Retirement Fund Board of Trustees authorized to explore**
21 **health insurance program.** The Retirement Fund Board of Trustees is hereby
22 authorized to explore the possibility of obtaining reasonable health insurance rates for
23 its members. The Retirement Fund Board of Trustees is hereby authorized to conduct
24 a study that would examine the financial information of the prepaid health insurance
25 companies, health care providers *or* other legal entities for the purpose of developing

1 an economical and beneficial health plan for members of the government of Guam
2 Retirement Fund.

3 **Section 79. Deficit Reduction.** *I Liheslatura* finds that in order to work
4 effectively reduce the deficit currently reflected for the government of Guam, it will
5 *need to repeal or* deappropriate past appropriations which remain outstanding but *not*
6 expended. To assist in this effort, the Department of Administration in collaboration
7 with the Office of Finance and Budget *shall* submit a report to the speaker of *I*
8 *Liheslatura* delineating *any* appropriation from fiscal years *prior* to 2008 which *has*
9 *not been* encumbered *or* fully expanded as of the date of the report. Thereafter,
10 monthly updates to the report *shall* be submitted until unexpended appropriations
11 from *prior* fiscal years are eliminated by *repeal or* other operation of law.

12 **Section 80. §50101(a) of Chapter 50 of Title 12 of the Guam Code**
13 **Annotated, is hereby repealed and reenacted to read as follows:**

14 “§50101. There is hereby created a public, non-profit corporation to be
15 known as the Guam Economic Development Authority (“*Authority*”)
16 with functions, powers and responsibilities as hereinafter provided. Any
17 reference in any law to the Guam Economic Development and
18 Commerce Authority (“*GEDCA*”) shall mean and be read as the Guam
19 Economic Development Authority, and all references therein to the
20 Administrator of GEDCA shall mean and be read as the Administrator of
21 the Authority.

22 All references in any contract, Executive Order, rule, regulation or
23 document to GEDCA, or the Administrator of GEDCA shall mean and be
24 read as the Authority and the Administrator of the Authority,
25 respectively.”

1 **Section 81. §50103(a) of Chapter 50 of Title 12 of the Guam Code**
2 **Annotated, is hereby *amended* as follows:**

3 **“§50103. Purposes and Authorized Activities of the Corporation.**

4 (a) It is the purpose of this Division to create a public non-profit
5 corporation to assist in the implementation of an integrated program for
6 the economic development of Guam. It is intended for this Corporation
7 to be a catalyst in the economic development which this Division seeks,
8 aiding private enterprise without unfairly competing with it. It is a
9 further purpose of this Division to enable the Corporation to expand the
10 supply of money available in the territory of Guam to finance the
11 construction of residential dwellings, including single family dwellings,
12 multiple family dwellings, condominiums and cooperative apartments. It
13 is hereby declared that there exists in the territory of Guam a substantial
14 and serious shortage of housing in all categories, and that this shortage is
15 inimical to the health and welfare of the residents of the Territory and to
16 the economic development of the Territory. The inadequate supply of
17 such housing results in the continuing existence and proliferation of
18 substandard and decadent housing, with all its attendant consequences of
19 disease, crime, injuries, retardation of education, and high costs of
20 services such as police and fire protection. It will thus serve the public
21 welfare to stimulate an increase in the supply of decent, safe and sanitary
22 housing, not only insofar as it benefits those who live in such housing but
23 in that such housing will materially assist in the prevention of crime, the
24 improvement of education, the reduction of hazards from fire or
25 structurally unsafe buildings, the improvement of the public health and a
26 lowering of the cost of services. The expansion of the supply of housing

1 in Guam is seriously hindered by a substantial, serious and continuing
2 shortage of long-term mortgage money, resulting in part from the
3 inability of United States based insurance companies to provide mortgage
4 money in Guam because of United States income tax reasons. It is,
5 therefore, imperative that mortgage financing be made available and the
6 supply of available money to finance housing construction be increased.
7 Without the assistance contemplated in this Division, the financing of or
8 construction of decent, safe and sanitary housing in sufficient amounts to
9 house the residents of Guam cannot be accomplished. A public exigency
10 exists which makes the assistance contemplated by this Division a public
11 purpose, and the necessity in the public interest for the provisions
12 hereinafter enacted is hereby declared as a matter of legislative
13 determination. The Legislature has also found and determined that there
14 exists an acute shortage of adequate, modern and efficient hospital
15 facilities in Guam and that unless measures are adopted to alleviate such
16 conditions, the need for such facilities will become increasingly more
17 urgent and serious. It is hereby declared that the safety, health and
18 welfare of the people of Guam requires the provision of adequate,
19 modern and efficient hospital facilities in the various parts of the
20 Territory, and that it is the policy of the Territory and a purpose of this
21 Division to provide the means necessary for the acquisition, construction
22 and provision of hospital facilities to serve the general public and to
23 make reasonably accessible to all the people of Guam modern and
24 efficient hospital facilities. The Legislature has further found and
25 declared that the financing, acquisition, construction, reconstruction,
26 rehabilitation or improvement of hospital facilities and the provision of

1 such facilities as may be incidental or appurtenant thereto are public uses
2 and public purposes for which public money may be expended and that
3 the enactment of this Division is necessary and proper for effectuating
4 the purposes hereof as hereinafter provided. The Legislature hereby
5 further finds and determines that there exists in the Territory conditions
6 of substantial and persistent unemployment, thus adversely affecting the
7 economy of our island and the prosperity, safety, health and general
8 welfare of its inhabitants and their standard of living; and that the
9 availability of financial assistance and suitable facilities are important
10 inducements to new and varied employment promoting enterprises to
11 locate in the Territory, and to existing enterprises to remain and expand
12 in our island. The provision of buildings, structures and other facilities to
13 increase opportunity for employment in manufacturing, industrial,
14 commercial, recreational, retail and service enterprises in the Territory is
15 in the public interest and is a public purpose to induce and accelerate
16 opportunity for employment in such enterprises. In order to aid in
17 supplying these needs and to assist in the immediate reduction of
18 unemployment and to provide sufficient employment for the citizens of
19 the Territory in the future, it is necessary and in the public interest to aid
20 and encourage the immediate commencement of new construction
21 projects of all types. The availability of financial assistance by the
22 Territory will reduce present unemployment and improve future
23 employment opportunities by encouraging and inducing the undertaking
24 of such construction projects, the location, retaining or expanding of
25 employment promoting enterprises with the Territory. By virtue of the
26 Territory's architectural and cultural heritage, its positions as principal

1 centers of communication and transportation, this government is capable
2 of ameliorating the conditions of deterioration which impede sound
3 community growth and development; and that building a proper balance
4 of industrial and commercial facilities and increasing the attractiveness of
5 the Territory to persons of all income levels is essential to the Territory
6 as a desirable place to live, work, shop and enjoy life's amenities; that the
7 accomplishment of these objectives is beyond remedy solely by
8 regulatory process and cannot be dealt with effectively by the ordinary
9 operations of private enterprise without the powers provided herein, and
10 that the exercise of the powers herein provided is critical to continuing
11 the process of revitalizing the Territory and will serve an urgent public
12 use and purpose. In order to aid in remedying the aforesaid conditions
13 and to further and implement the purposes of this Division, the authority
14 and powers conferred under this Division and expenditure of money
15 pursuant thereto constitute a serving of a valid public purpose and that
16 enactment of the provisions of Article 5 of this Division is in the public
17 interest and for the public benefit and good and is so declared to be as a
18 matter of expressed legislative determination."

19 **Section 82. Exception for Internet and Data Network.** The restrictions on
20 funds for wireless telephone services contained in Section 18 of this Chapter *shall not*
21 apply to wireless internet and data networking services Voice Over Internet Protocol
22 (VOIP) telephone services.

23 **Section 83. Correction of Ambiguity of the Guam Youth Congress**
24 **Eligibility requirements.** §7104 of Title 2 of the Guam Code Annotated, is hereby
25 *amended to read:*

1 **“§7104. Eligibility of Representatives and Electorate.** *No person shall*
2 *be eligible to vote for a Representative, or sit in the Congress who has not*
3 *attained the age of fourteen (14) years, or who will be twenty-five (25) prior to*
4 *the expiration of the term for which he seeks to qualify as a voter or as a*
5 *member, or who has been convicted of a felony or crime involving moral*
6 *turpitude and has not received a pardon restoring his civil rights.”*

7 **Section 84. §25103 of Title 17 GCA is hereby amended to read as follows:**

8 **“§25103. Scholarship Benefits.** Each scholarship recipient *shall* be
9 entitled to the following benefits from funds appropriated for the Hero
10 Scholarship Program: Payment of tuition and fees. The Judicial Council *shall*
11 disburse annual scholarship payments for a qualified applicant when the
12 Judicial Council receives certification from the University or College of the
13 qualified applicant’s eligibility and enrollment.”

1 (3) one hard copy of said report to the Speaker of *I Liheslatura*.

2 (b) The director of any government agency receiving funds pursuant to this
3 Act, regardless of the source of the agency's appropriations and revenue, *shall* have
4 his gross salary per pay period and the gross salaries per pay period of his deputy and
5 Chief Financial Officer reduced by twenty percent (20%) for the remainder of the
6 Fiscal Year 2009 for failing to comply with any reporting requirements mandated by
7 this Act. Copies of any personnel actions evidencing said salary reductions *shall* be
8 provided to the Speaker of *I Liheslatura* and the Public Auditor and posted on the
9 agency's website. Beginning with the first quarter of Fiscal Year 2009, the Public
10 Auditor *shall* notify all directors of their responsibility under this Section *at least* three
11 (3) days before the end of each quarter. The Public Auditor *shall* prepare a
12 memorandum attesting to a failure to comply that caused a salary reduction pursuant
13 hereto for placement in each of the aforementioned officials' respective personnel
14 files. For the purposes of this Section, a director *shall* include the head of a
15 department, agency, autonomous agency, semi-autonomous agency, *or* public
16 corporation, including, *but not limited to*, the Superintendent of Education, the
17 President of the University of Guam, the President of Guam Community College, the
18 General Manager of the Guam Educational Telecommunications Corporation, the
19 Director of the Guam Public Library System, the Executive Director of the Mayors
20 Council of Guam, the Executive Director of *I Liheslaturan Guåhan* and the
21 Administrator of the Courts of Guam.

22 Any official who undergoes a reduction in salary pursuant hereto and who is
23 transferred to a position in another department, agency, *or* instrumentality of the
24 government of Guam that has a greater gross salary per pay period, *shall not* be paid a
25 salary greater than the reduced salary resulting from the application of this Section for
26 the remainder of Fiscal Year 2009.

1 **Section 3. Authorization for Matching Requirements for Federal**
2 **Grants-In-Aid.** All departments are authorized to expend funds appropriated in this
3 Act for matching requirements of Federal grants.

4 **Section 4. Carryover of Local and Federal Matching Program Funds**
5 **for Grants.** The Local and Federal Matching Funds for programs whose expiration
6 dates extend *beyond* September 30, 2009 *shall not* lapse and may be expended
7 throughout the period of the grant award.

8 **Section 5. Federal Reimbursements.** *Except* as provided by Title 12,
9 Guam Code Annotated, §5104(38), *if* the government of Guam expends any funds that
10 are subsequently reimbursed by the Federal Government, the reimbursement *shall* be
11 promptly deposited in the General Fund *or* the Special Fund from which the
12 expenditure was made.

13 **Section 6. Reporting Requirements for Non-Profit Organizations.** All
14 non-profit organizations that receive funds pursuant to this Act *shall* maintain
15 financial records that accurately account for said funds and *shall* provide a budgetary
16 breakdown by object category to the department *or* agency that oversees the
17 appropriation. The non-profit organization *shall* also provide to said department:

18 (a) A quarterly report describing its activities during the reporting
19 period and the results it achieved *no later than* twenty (20) days after the
20 end of each quarter;

21 (b) Notification of all procurement of equipment and services of Five
22 Thousand Dollars (\$5,000) *or* more prior to awarding the contract
23 therefor;

24 (c) Access to the overseeing department *or* agency's duly authorized
25 representative, and Government of Guam auditors, to appropriate records

1 for the purpose of audit and examination of books, documents, papers
2 and records of funds expended under the appropriation;

3 (d) Submission of a detailed inventory listing of each year's purchases,
4 as certified by its certifying officer;

5 (e) A Final Report to the overseeing department *or* agency for
6 submission to *I Liheslaturan Guåhan* containing a full disclosure of all
7 expenditures of funds appropriated by this Act *no later than* November
8 15, 2009. The overseeing department *or* agency *shall* post the same on
9 its website; and

10 (f) Non-compliance with these reporting requirements will subject the
11 non-profit organization to a three percent (3%) reduction of its
12 appropriation(s) and the overseeing agency's contract with the
13 organization *shall* so provide.

14 **Section 7. Appropriations from the Guam Contractors License Board**
15 **Fund and Professional Engineers, Architects and Land Surveyors Board Fund to**
16 **revert to the General Fund for Fiscal Year 2009.** At the end of Fiscal Year 2009,
17 any unexpended *or* unencumbered appropriations to the Guam Contractors License
18 Board (GCLB) Fund and the Professional Engineers, Architects and Land Surveyors
19 (PEALS) Board Fund *shall* revert to the General Fund.

20 **Section 8. Unexpended Fund Balance of the Guam Plant Inspection and**
21 **Permit Fund.** The unexpended fund balance as of September 30, 2008 of the Guam
22 Plant Inspection and Permit Fund, established pursuant to §73302 of Title 5, Guam
23 Code Annotated, is appropriated to the Department of Agriculture for Fiscal Year
24 2009 for the new Plant Inspection Station.

25 **Section 9. Unless otherwise specified in this Act:**

1 **(a) General Fund Reversion.** All unexpended *or* unencumbered
2 appropriations made from the General Fund pursuant to this Act *shall* revert to
3 the General Fund on the last day of Fiscal Year 2009.

4 **(b) Tourist Attraction Fund Reversion.** All unexpended *or*
5 unencumbered appropriations made from the Tourist Attraction Fund pursuant
6 to this Act *shall* revert to the Tourist Attraction Fund on the last day of Fiscal
7 Year 2009 unless otherwise specified under this Act.

8 **(c) Healthy Futures Fund Reversion.** All unexpended *or*
9 unencumbered appropriations made from the Healthy Futures Fund pursuant to
10 this Act *shall* revert to the Healthy Futures Fund on the last day of Fiscal Year
11 2009.

12 **Section 10. Continuing Appropriation.** The appropriations made from
13 Local and Federal Matching Funds for programs whose expiration dates extend
14 *beyond* September 30, 2008 *shall not* lapse and may be expended throughout the
15 period of the grant award.

16 **Section 11. Continuing Appropriation for UOG.** The appropriation
17 contained in Section 1(j), Part II, Chapter II of Public Law 29-19 *shall not* lapse and
18 *shall* remain available to the University of Guam for the original purpose mandated in
19 that Section.

20 **Section 12. Continuing Appropriation for GCC.** The appropriation
21 contained in Section 1(d), Part III, Chapter II of Public Law 29-19 *shall not* lapse and
22 *shall* remain available to the Guam Community College for the original purpose
23 mandated in that Section.

24 **Section 13. Continuing Appropriation for DPHSS.** The appropriation
25 contained in Section 3, Part I, Chapter III of Public Law 29-19 *shall not* lapse and

1 *shall* remain available to the Department of Public Health and Social Services for the
2 original purpose mandated in that Section.

3 **Section 14. Continuing Appropriation for the Department of**
4 **Agriculture.** The appropriations made to the Department of Agriculture for Fiscal
5 Year 2009 *shall not* lapse and *shall* continue until fully expended.

6 **Section 15. Continuing Appropriation for *I Liheslaturan Guåhan*.** The
7 unexpended balance of funds appropriated to *I Liheslaturan Guåhan* for Fiscal Year
8 2008 *shall not* lapse and is available to *I Liheslaturan Guåhan* for expenditures in
9 Fiscal Year 2009.

10 **Section 16. Continuing Appropriation for the Office of Finance and**
11 **Budget.** The unexpended balance of funds appropriated to *I Liheslaturan Guåhan* for
12 the Office of Finance and Budget for Fiscal Year 2008 *shall not* lapse and is available
13 to *I Liheslaturan Guåhan* for the Office of Finance and Budget for expenditures in
14 Fiscal Year 2009.

15 **Section 17. PEALS Board Revenue Collections.** The PEALS Board is
16 authorized to expend revenues collected in excess of appropriations from the PEALS
17 Board Fund for FY 2009 operations and to pay *prior* years outstanding obligations
18 incurred in the amount of Twenty-five Thousand Eight Hundred Twenty-one Dollars
19 (\$25,821).

20 **Section 18. Prior Years' Obligations Authorization for Department of**
21 **Public Works.** The Department of Public Works is authorized to use their FY 2009
22 operational appropriations to pay *prior* years' obligations incurred for current
23 employees, former employees, and retired employees due compensation for overtime
24 as reflected in the department's memorandum dated December 18, 2007, to the
25 Bureau of Budget & Management Research.

1 **Section 19. Reports on Bonds Proceeds.** Heads of the departments and
2 agencies that receive bond proceeds pursuant to Title 5, Guam Code Annotated,
3 §22435(k) *shall* report to *I Liheslaturan Guåhan* regarding the expenditure of said
4 funds *no later than* thirty (30) days after the end of every fiscal quarter and *shall*
5 provide a close-out to *I Liheslaturan Guåhan* upon the completion of projects listed in
6 that Subsection. *If* such proceeds are *not* sufficient to complete the project, the agency
7 head *shall* advise *I Liheslaturan Guåhan* in writing regarding the amount of funds
8 necessary for completion.

9 **Section 20. Authorization for Payment of Prior Years' Obligations.**
10 Appropriations made in this Act may be expended for the payment of prior years'
11 obligations. *I Maga'lahaen Guåhan shall* deliver notice to the Speaker of *I*
12 *Liheslaturan Guåhan* of each such proposed expenditure *no less than* forty-five (45)
13 days *before* the expenditure. The Office of the Attorney General, the Mayors'
14 Council of Guam, the Office of the Public Auditor, and the Judiciary of Guam *shall*
15 deliver notice to the Speaker of *I Liheslaturan Guåhan* of each proposed expenditure
16 as mandated in this Section. The expenditure will be effective if *no* action is taken by
17 *I Liheslaturan Guåhan*. Disapproval of any proposed expenditure by *I Liheslatura*
18 *shall* be exempt from 2GCA §2103. At the end of each quarter, each department *shall*
19 report to *I Liheslatura*, and post on its website, all payments of the previous quarter's
20 prior year(s) obligations by payee, date of payment, amount of payment, purpose of
21 the expenditure and the reason for non-payment in the *prior* year. The '*no less than*
22 forty-five (45) days' requirement in this Section *shall not* apply to payments of *prior*
23 years' obligations in the Medically Indigent Program and the Medicaid Program.

24 **Section 21. Unspent Crime Lab Appropriations.** Funds appropriated
25 during Fiscal Year 2008 to the Guam Police Department Crime Lab Section for the
26 purpose of the procurement of digital cameras and other related equipment and funds

1 appropriated for the Guam Forensic Science lab *shall* be carried over into Fiscal Year
2 2009, *or* until expended for its intended purpose.

3 **Section 22. Enhanced 911 Emergency Reporting System Personnel.** To
4 the extent practicable, the Guam Fire Department *shall* use the funds appropriated
5 from the E911 Emergency Reporting System Fund in Section 1(o) Part I of Chapter V
6 hereof to in this Act, hire civilian personnel to staff the Enhanced 911 Emergency
7 Reporting System, thereby allowing uniformed firefighters within the E911 Program
8 to transfer to other firefighting service areas within the Department. The Director of
9 Administration *shall* encourage qualified individuals with disabilities to apply for said
10 positions.

11 **Section 23. Government of Guam Retirement Fund Rate of**
12 **Contribution.** In accordance with §8137(e) of Article 1, Chapter 8 of Title 4 of the
13 Guam Code Annotated, the government rate of contribution to the Retirement Fund
14 throughout Fiscal Year 2009 *shall* be 25.20%.

15 **Section 24. Reporting Staffing Pattern. (a) Staffing Pattern.** *No later*
16 *than* thirty (30) days after the end of each quarter of Fiscal Year 2009, every director,
17 administrator *or* head of a government of Guam agency, including line agencies, semi-
18 autonomous agencies, public corporations, the President of the Mayors Council of
19 Guam, and the Administrator of the Courts of the Judiciary of Guam, *shall* submit to
20 the Speaker of *I Liheslaturan Guåhan* and post on the agency website a current
21 staffing pattern in the format of the Executive Branch FY 2009 Budget Call, as of the
22 previous quarter's ending. Said staffing pattern *shall* include, *at a minimum*, the name
23 of every current employee and his position title, salary, increment costs and benefit
24 costs, as well as the funding source for his salary and benefits.

1 **(b) Electronic Data.** In addition to the written document required by
2 Subsection (a) hereof, reports *shall* be submitted in electronic format (including, but
3 *not limited to*, diskettes, CD, and/or email) to the Speaker of *I Liheslaturan Guåhan*.

4 **Section 25. Autonomous Agency Revenues and Expenditures Reported to**
5 ***I Liheslaturan Guåhan.*** Notwithstanding any other provision of law, every
6 autonomous and semi-autonomous agency *or* public corporation in the government of
7 Guam *shall* report all revenues and expenditures for all funds under its purview and
8 administration to the Speaker of *I Liheslaturan Guåhan* on a monthly basis and post
9 the same on its website. Each monthly report *shall* be due *no later than* ten (10) days
10 after the end of each month.

11 **Section 26. Quarterly Reports of Medical Referral Offices.** Each of the
12 Medical Referral Offices funded by this Act *shall* provide quarterly reports on its
13 activities and expenditures, to include, but *not be limited to*:

- 14 (a) number of referred patients served;
15 (b) number of patient escorts *or* accompanying family members served;
16 (c) average cost per patient referral incurred during that quarter;
17 (d) actual office expenditures for the quarter, including fuel costs; and
18 (e) a description of services provided during the quarter.

19 The quarterly reports required by this Section *shall* be submitted to *I*
20 *Maga'lahaen Guåhan*, the Speaker of *I Liheslaturan Guåhan*, and the Office of the
21 Public Auditor *no later than* thirty (30) days after the end of each quarter of the fiscal
22 year, and *shall* be posted on the Offices' websites.

23 **Section 27. Special Fund Transfer.** *I Maga'lahaen Guåhan* is authorized to
24 transfer to the General Fund any cash available from any appropriated Special Fund *or*
25 Revolving Fund to fund the appropriations authorized by this Act, provided that such
26 authority *shall not* extend to Trust Funds; the Historic Preservation Trust Fund; the

1 Tourist Attraction Fund; Customs, Agriculture and Quarantine Inspection Services
2 Fund; Healthy Futures Fund; Wildlife Conservation Fund; Special Funds under the
3 purview of the Guam Environmental Protection Agency; and funds under the purview
4 and administration of *I Liheslaturan Guåhan*, the Judiciary, the Guam Memorial
5 Hospital Authority, the Guam Public School System, Guam Community College and
6 University of Guam and those funds, accounts, departments and agencies exempted by
7 this Act from *I Maga'lahi's* transfer authority.

8 All cash from Special funds *or* Revolving funds transferred to cover the
9 appropriations authorized by this Act *shall* be promptly reimbursed to the Special *or*
10 Revolving Fund from which it was withdrawn as cash becomes available.

11 *I Maga'lahen Guåhan* shall deliver notice to the Speaker of *I Liheslaturan*
12 *Guåhan* of each such proposed transfer *no less than* fifteen (15) days *prior* to the
13 transfer. The transfer *shall* be effective *if no* action is taken by *I Liheslaturan*
14 *Guåhan*. For this purpose *only*, Title 2 GCA §2103, requiring a public hearing for
15 bills, and Title 5 GCA §8107, requiring notice of regular meetings, including
16 legislative sessions, *shall not* apply. *If* transfers are effectuated, *I Maga'lahen*
17 *Guåhan* shall submit a report to the Speaker of *I Liheslaturan Guåhan* on the fifth
18 (5th) day of every month on all transfers pursuant to this Section. Said report *shall*
19 enumerate the amount of each transfer, identify the funds to and from which the
20 transfer was made and state the purpose of each transfer.

21 **Section 28. Transfer Authority of *I Maga'lahen Guåhan*.** *I Maga'lahen*
22 *Guåhan* is authorized to transfer funds between Fiscal Year 2009 General Fund
23 Executive Branch appropriations and *not more than* ten percent (10%) of the Fiscal
24 Year 2009 General Fund appropriations made to the Office of the Attorney General,
25 the University of Guam, and the Guam Community College. No funds shall be
26 transferred out of Fiscal Year 2009 General Fund appropriations made to the Guam

1 Public School System and the Guam Public School System Operations Fund. *No*
2 Funds *shall* be transferred out of appropriations *or* allocations made to the Department
3 of Revenue and Taxation.

4 **Section 29. Secondary and Tertiary Road Projects.** *I Maga'lahi*, after
5 consultation with the Village Mayors, may delete and add secondary and tertiary road
6 repair projects to the list in Part IV of Chapter II of Public Law 28-68, *if* such
7 amendment is necessitated by changes in cost estimates, availability of funds *or*
8 critical needs, provided, that the repair of potholes on primary and secondary roads
9 *shall* remain a high priority and *shall* commence as soon as practicable.

10 **Section 30. Transfer Authorization for the Department of Public Health**
11 **and Social Services.** The Director of Public Health and Social Services may transfer
12 funds between appropriations made in this Act for the Department of Public Health
13 and Social Services, provided that he notifies *I Maga'lahaen Guåhan* and the Speaker
14 of *I Liheslaturan Guåhan* no later than fifteen (15) working days before the transfer is
15 made.

16 **Section 31. DMHSA Youth Drug and Alcohol Program.** Of the sum
17 appropriated to the Department of Mental Health and Substance Abuse from the
18 General Fund for operations in Section 1(x) Part I of Chapter V of this Act, the
19 amount of (\$141,582) shall be used to fund the Youth Drug and Alcohol Program.

20 **Section 32. Transfer Authority of the Judiciary of Guam.** The Judiciary
21 of Guam is authorized to transfer funds between Fiscal Year 2009 Judicial Branch
22 appropriations.

23 **Section 33. Air Ambulance Service Trust Account.** One Million Dollars
24 (\$1,000,000) of the Fiscal Year 2009 appropriation to the Medically Indigent Program
25 Fund *shall* be deposited and held in a separate trust account to be used exclusively to
26 pay for authorized air ambulance services. Allotments to the Medically Indigent

1 Program *shall* be made simultaneously with a proportional allotment to the Air
2 Ambulance Service Trust Account, and vice versa. Said Trust Account funds *shall* be
3 disbursed *only* to transport qualified MIP patients whose prognosis for survival and
4 recovery, as certified by an attending physician, requires immediate medical services
5 not available on Guam, but that are readily available at the nearest JCAHO *or* Joint
6 Commission Accredited medical facility. At the end of the fiscal year, any
7 unexpended *or* unencumbered balance in the Air Ambulance Service Trust Account
8 *shall* be transferred into the Medically Indigent Program Payment Revolving Fund
9 (MIPPR) for the Medically Indigent Program (MIP) and *shall* be used exclusively for
10 the payment of MIP obligations. Payments *shall* be prioritized by the most aged
11 obligations initially adjudicated. The amounts transferred pursuant to this Section
12 *shall* remain available until fully expended and is restricted from any transfer
13 authority.

14 **Section 34. Disbursements from the Tourist Attraction Fund.** For Fiscal
15 Year 2009, the Director of Administration *shall* allocate and disburse monthly releases
16 from the Tourist Attraction Fund according to the following priorities:

17 1st Priority – Debt Service for the 1997 Infrastructure Improvement Bond;

18 2nd Priority – FY 2009 appropriations to the Guam Visitors Bureau;

19 3rd Priority – All other FY 2009 appropriations.

20 **Section 35. Executive Branch Travel Restrictions.** Funds appropriated by
21 this Act *shall not* be used for off-island travel *or* per diem expenses by executive
22 branch employees and officials *except* for:

23 (a) Travel that is federally funded;

24 (b) Travel that is specifically required to administer *or* secure federal
25 grants;

- (c) Travel by *I Maga'lahren Guåhan*, *I Segundu Na Maga'lahren Guåhan*, Mayors and Vice-Mayors, the Attorney General and other officials to represent the people of Guam at meetings and functions determined critical to the welfare of Guam by *I Maga'lahren Guåhan*, provided that the Director of Administration *shall* provide a monthly report to the Speaker of *I Liheslaturan Guåhan* on such travel expenses by the fifth (5th) day of each subsequent month thereafter;
- (d) Travel to promote tourism on Guam, provided that such travel is paid for by the Tourist Attraction Fund and¹ is restricted to the General Manager *or* his designee, Board Members, professional staff of the Guam Visitors Bureau, and those individuals required for promotional activities;
- (e) Travel by law enforcement personnel conducting an official investigation and law enforcement personnel providing escort services for criminal suspects, detainees, and convicted felons being returned to Guam for judicial proceedings *or* being transferred to off-island correctional facilities;
- (f) Travel by medical personnel providing escort services for patients requiring off-island medical treatment, and other escorts as specifically authorized by the Department of Public Health and Social Services pursuant to Guam law;
- (g) Travel necessary for the enforcement of court orders;
- (h) Travel under the Residential Treatment Fund; ~~or~~
- (i) Travel required for employees requiring professional certification and training;

1 (j) Traveled required by the Director of Revenue and Taxation *or* his
2 designee; *or*

3 (k) Traveled required by the Chairman of Soil and Water Conservation
4 District Board *or* his designee.

5 **Section 36. LSRF Appropriation Provision.** Notwithstanding §60602,
6 Chapter 60 of Title 21 GCA, the appropriation made in this Act to the Department of
7 Land Management from the Land Survey Revolving Fund may be expended for the
8 Department of Land Management's operations in FY 2009.

9 **Section 37. Limited-Term Appointment Moratorium.** For Fiscal Year
10 2009, notwithstanding §4102 of Title 4 of the Guam Code Annotated, *or* any other
11 provision of law, *no* person may be employed on a temporary *or* limited-term basis by
12 an instrumentality of the government of Guam, *except* for the following:

13 (a) Certified persons in the Guam Public School System as identified in
14 Subsection (12) of §715 of Chapter 7 of Title 1 of the Guam Code
15 Annotated;

16 (b) Attorneys at the Office of the Attorney General (within staffing pattern
17 funding levels) and attorneys at the Public Defender Service Corporation
18 may hire attorneys by contract (within staffing pattern funding levels);

19 (c) Nurses and doctors (within staffing pattern funding levels);

20 (d) Temporary survey workers employed by the Department of Labor and
21 the Bureau of Statistics and Plans for the purpose of conducting
22 employment surveys (within staffing pattern funding levels);

23 (e) Licensed healthcare professionals and other ancillary service personnel
24 employed at the Guam Memorial Hospital Authority, the Department of
25 Mental Health and Substance Abuse, and the Department of Public
26 Health and Social Services (all within staffing pattern funding levels);

- 1 (f) Academic positions at the University of Guam and the Guam Community
2 College (within their appropriated funding levels);
- 3 (g) Substitute school bus drivers;
- 4 (h) Persons filling temporary vacancies created by the call to active military
5 duty of employees who are members of the reserve components of the
6 Department of Defense and the Department of Transportation including,
7 *but not limited to*, the United States Army, United States Navy, United
8 States Marine Corps, United States Air Force, the Army National Guard,
9 the Air National Guard, and the United States Coast Guard;
- 10 (i) Federally-funded positions (matching and up to 100%);
- 11 (j) Temporary Solid Waste Technicians employed by the Division of Solid
12 Waste Management of the Department of Public Works for the purpose
13 of collecting residential solid waste;
- 14 (k) Licensed professional engineers employed by the Department of Public
15 Works and the Guam Environmental Protection Agency;
- 16 (l) Temporary positions within the Department of Revenue and Taxation;
17 and
- 18 (m) Temporary positions at the Jose D. Leon Guerrero Commercial Port.
- 19 (n) Temporary positions within the Guam Election Commission specifically
20 for the 2008 General Election.

21 **Section 38. Facilities Insurance Requirements.** Every department and
22 agency of the government of Guam, as part of its appropriations for operations
23 contained in this Act, may expend such sums as necessary for facilities insurance
24 requirements.

25 **Section 39. Authorization for Department of Revenue and Taxation.**

1 The Department of Revenue and Taxation is authorized to increase Personnel
2 Pay by *no more than* ten percent (10%), for positions identified in ATTACHMENT A
3 (Department of Revenue and Taxations Proposed Pay Adjustment FY09) to retain
4 necessary critical personnel to continue its ability to fulfill mandates.

5 **Section 40. Revenue Tracking Report.** The Director of the Bureau of
6 Budget and Management Research, in collaboration with the Director of Revenue and
7 Taxation and the Director of Administration, *shall* determine, after the end of each
8 month of the fiscal year beginning with Fiscal Year 2009, the revenue tracking for the
9 balance of the fiscal year, based upon the actual collections of the preceding month,
10 and prepare a statement comparing “actual” and “projected” revenues. Said statement
11 *shall* be certified as to its accuracy by each of the aforementioned Directors, and
12 submitted to the Speaker of *I Liheslaturan Guåhan* no later than thirty (30) days after
13 the end of each month of the fiscal year. Said statement *shall* be submitted in written
14 and electronic format and *shall* be posted quarterly on the Bureau of Budget and
15 Management Research’s website. It *shall* also be submitted by email to all members
16 of *I Liheslaturan Guåhan*.

17 **Section 41. Authorization for Burial.** There is hereby authorized the sum
18 of Two Thousand Dollars (\$2,000) from the FY2008 appropriation made to the
19 Department of Public Health and Social Services for the immediate burial or
20 appropriate disposition of human remains unclaimed for over three hundred sixty
21 (360) days at the Guam Memorial Hospital morgue pursuant to the mandate to the
22 Director of DPHSS contained in 10 GCA §3231.

23 **Section 42. Department of Agriculture Positions.** The Department of
24 Agriculture is hereby authorized to fill the following positions within the department:
25 Conservation Sergeant, Conservation Lieutenant and Conservation Captain. Such

1 sums as are necessary to effectuate this provision *shall* come from the FY2009
2 appropriations for the department.

3 **Section 43. Customs and Quarantine Agency Part-time Attorney.** Of the
4 sum appropriated in Section 1, Part I of this Chapter IV, the sum of Thirty Thousand
5 Dollars (\$30,000) may be used to employ a part-time attorney for the Customs and
6 Quarantine Agency of Guam.

7 **Section 44. Chamorro Land Trust Operations Fund Collections.** The
8 Chamorro Land Trust Commission is authorized for its FY 2009 operations to expend
9 in excess of the revenues adopted in *prior* fiscal years' Budget Acts up to the level of
10 the revenues collected for the Chamorro Land Trust Operations Fund.

11 **Section 45. Continuing Appropriation for the Mayor's Council.** The
12 unexpended balance of funds appropriated to the Mayor's Council of Guam, the
13 Village Street Funds, the island-wide Village Beautification Projects Fund, and the
14 Public Safety and Social Education Fund for Fiscal Year 2008 *shall not lapse* and
15 *shall* be available to the Mayor's Council for expenditures of Fiscal Year 2009.

16 **Section 46.** The Department of Revenue and Taxation is authorized to
17 expend FY2009 appropriations for the payment of overtime for employees processing
18 Economic Stimulus Rebate checks or Tax Refunds.

19 **Section 47. Continuing Appropriations for *I Famagu'on-ta'*.** *No less than*
20 *Seventy-five Thousand Dollars (\$750,000)* of the General Fund appropriation
21 *contained in Section 1 of Part 1 of Chapter V shall be used by the I Famagu'on-ta'*
22 *System of Care program for operations and personnel for the purposes authorized by*
23 *Section 2, Part III, Chapter III of Public Law 29-19 and Section 85(b), Part II, Chapter*
24 *V of Public Law 29-19, as amended by P.L. 29-86. This amount shall not be subject*
25 *to the Governor's Transfer Authority.*

1 The appropriations contained in Section 2, Part III, Chapter III of Public Law
2 29-19 and Section 85(b), Part II, Chapter V of Public Law 29-19, as *amended* by P.L.
3 29-86, *shall not* lapse and *shall* remain available to the Department of Mental Health
4 and Substance Abuse for the operations.

5 **Section 48. Additional Funding.** Recognizing that the University of Guam
6 is experiencing increased demands for academic, research, and community extension
7 services and that the University of Guam will undergo a critical accreditation review
8 in March 2009 by the Western Association of the Schools and Colleges, the Governor
9 of Guam is authorized and urged to transfer additional funds beyond the University's
10 Fiscal Year 2009 baseline budget in the amount of Four Million Dollars (\$4,000,000)
11 from revenues and available lapses in order to ensure that the University is fully
12 funded to meet the required accreditation standards and to meet increasing demand for
13 the additional academic, research and extension services from stakeholders.

14 **Section 49. Continuing Appropriation for the Office of the Attorney**
15 **General.** The appropriation in Section 1, Part VII, Chapter IV of Public Law 29-19
16 *shall not* lapse and *shall* remain available to the Office of the Attorney General for the
17 original purpose mandated in that Section.

18 **Section 50. Local Availability of Bonds.** To the greatest extent possible
19 GEDCA *shall* use its best effort to make the bonds herein authorized available for the
20 purchase of local residents and investments firms at the same time as institutional
21 investors.

1 **CHAPTER VIII**

2 **SEVERABILITY**

3 **Section 1. Severability.** *If* any provision of this Act or its application to
4 any person or circumstances is held invalid, the invalidity *shall not* affect other
5 provisions or applications of this Act which can be given effect without the invalid
6 provision or application, and to this end the provisions of this Act are severable.

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1 CERTIFICATE OF THE GOVERNOR OF GUAM
2 DETERMINING, SPECIFYING AND AUTHORIZING
3 CERTAIN MATTERS IN CONNECTION WITH THE ISSUANCE OF
4 GOVERNMENT OF GUAM
5 GENERAL OBLIGATION BONDS,
6 2008 SERIES A

7 WHEREAS, pursuant to Section 1512.1 of Title 5 of the Guam Code
8 Annotated (the “Act”), the Legislature of Guam has authorized the Governor of
9 Guam (the “Governor”) to issue one or more series of general obligation bonds for
10 the purposes of paying certain General Fund Expenses, as that term is defined
11 herein;

12 WHEREAS, the Legislature of Guam has, by P.L. No. [29-___] of the
13 Twenty-Ninth Guam Legislature, 2008 (SECOND) Regular Session, approved the
14 terms and conditions of the issuance of Government of Guam General Obligation
15 Bonds, 2008 Series A, the proceeds of which are to be used for such purposes, in
16 an aggregate principal amount necessary to provide proceeds sufficient to provide
17 no more than _____ million dollars (\$ __,000,000) for deposit in the
18 Proceeds Fund, [to fund necessary reserves] and to pay certain expenses incurred
19 in connection with the issuance of such bonds;

20 WHEREAS, the Guam Economic Development Authority has
21 approved the issuance and sale of said bonds as provided by the Act and by 12
22 Guam Code Annotated § 50103(k); and

WHEREAS, the Act authorizes the Governor to execute this certificate (this "Certificate") to determine certain matters with respect to the issuance of such bonds;

NOW, THEREFORE, I, Felix Perez Camacho, Governor of Guam,
hereby certify as follows:

ARTICLE I

DEFINITIONS; CERTIFICATES

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Certificate, and of any certificate supplemental hereto and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

Account

“Account” means each account established and given a designation pursuant to this Certificate or any Supplemental Certificate.

Accreted Value

“Accreted Value” means, with respect to any particular Bonds as of any given date of calculation, an amount equal to the sum of the principal amount of such Bonds plus accrued and unpaid interest on such Bonds as of such date, but not including interest payable on a current basis at least annually.

1 Act

2 “Act” means Section 1512.1 of Title 5, Guam Code Annotated.

3 Annual Debt Service

4 “Annual Debt Service” means, for any Bond Year, the sum of (1) the
5 interest falling due on then Outstanding Bonds (assuming that all then Outstanding
6 Serial Bonds are retired on their respective maturity dates and that all then
7 Outstanding Term Bonds are retired at the times of and in amounts provided for by
8 the Mandatory Sinking Account Payments applicable to such Term Bonds), (2) the
9 principal amount of then Outstanding Serial Bonds falling due by their terms, and
10 (3) the aggregate amount of all Mandatory Sinking Account Payments required
11 with respect to such Bonds; all as calculated for said Bond Year.

12 Authorized Officer

13 “Authorized Officer” means and includes, with respect to the Trustee,
14 the chairman of the board of directors, the president, every trust officer and any
15 other officer or assistant officer of the Trustee, other than those specifically above
16 mentioned, designated by a certificate of an Authorized Officer of the Trustee, as
17 an Authorized Officer for purposes of this Certificate and, with respect to the
18 Paying Agent, the chairman of the board of directors, the president, every vice
19 president, every trust officer and any other officer or assistant officer of the Paying
20 Agent, other than those specifically above mentioned, designated by a certificate of
21 an Authorized Officer of the Paying Agent, as an Authorized Officer for purposes
22 of this Certificate.

1 Authorized Representative

2 “Authorized Representative” means the Governor or any other person
3 or office designated and authorized as an Authorized Representative by a
4 Statement of the Government and filed with the Trustee and the Paying Agent.

5 Bond Counsel

6 “Bond Counsel” means, initially, Orrick, Herrington & Sutcliffe LLP,
7 San Francisco, California. Any successor thereto as Bond Counsel shall be an
8 attorney or firm of attorneys having a national reputation for expertise in matters
9 relating to governmental obligations, the interest on which is excluded from gross
10 income for federal income tax purposes under Section 103 of the Code, and
11 familiar with the laws of Guam and procedures of the Government.

12 Bond Fund

13 “Bond Fund” means the fund by that name established pursuant to
14 Section 5.01.

15 Bond Year

16 “Bond Year” means the period of twelve consecutive months ending
17 on _____ in any year in which Bonds are or will be Outstanding.

18 Bonds, Serial Bonds, Term Bonds

19 “Bonds” means the Government of Guam General Obligation Bonds,
20 2008 Series A, authorized by, and at any time Outstanding pursuant to, this
21 Certificate.

1 “Serial Bonds” means the Bonds, falling due by their terms on
2 specified dates, for which no Mandatory Sinking Account Payments are provided.

3 “Term Bonds” means the Bonds payable at or before their specified
4 maturity date or dates from Mandatory Sinking Account Payments established for
5 that purpose and calculated to retire such Bonds on or before their specified
6 maturity date or dates.

7 Business Day

8 “Business Day” means any day on which banks in the cities in which
9 the Principal Offices of each Fiduciary are located are not required or authorized to
10 close and on which the New York Stock Exchange is not closed.

11 Certificate, Order, Request, Requisition, or Statement of the Government

12 “Certificate,” “Order,” “Request,” “Requisition,” and “Statement” of
13 the Government mean, respectively, a written certificate, order, request,
14 requisition, or statement, executed by an Authorized Representative. Any such
15 instrument and supporting opinions or representations, if any, may, but need not,
16 be combined in a single instrument with any other instrument, opinion or
17 representation, and the two or more so combined shall be read and construed as a
18 single instrument. If and to the extent required by Section 1.02, each such
19 instrument shall include the statements provided for in Section 1.02.

20 Code

21 “Code” means the Internal Revenue Code of 1986 or any similar or
22 successor federal law, including any applicable regulations thereunder.

1 Costs of Issuance

2 “Costs of Issuance” means all items of expense directly or indirectly
3 payable by or reimbursable to the Government and related to the authorization,
4 issuance, sale and delivery of the Bonds, including but not limited to advertising
5 costs, Bond and official statement printing costs, costs of preparation and
6 reproduction of documents, filing and recording fees, initial fees and charges of the
7 Paying Agent, the Trustee and the Depositary, legal fees and charges, fees and
8 disbursements of consultants and professionals, rating agency fees, fees and
9 charges for preparation, execution, transportation and safekeeping of Bonds, and
10 any other cost, charge or fee in connection with the original issuance of Bonds.

11 Depositary

12 “Depositary” means, with respect to the Proceeds Fund, Bank of
13 Guam, a domestic banking corporation organized and existing under and by virtue
14 of the laws of Guam, having a corporate trust office in Guam, and being qualified
15 to do business within Guam, or its successor, as Depositary hereunder as provided
16 in Section 8.01, and, with respect to any particular Fund or Account, any bank or
17 trust company or other financial institution with similar powers designated by a
18 Supplemental Certificate or a Statement of the Government to act as Depositary
19 hereunder for such Fund or Account and, in each case, its successors and assigns.

20 DTC

21 “DTC” means The Depositary Trust Company, New York, New
22 York, and its successors and assigns.

1 Event of Default

2 “Event of Default” means any of the events specified in Section 7.01.

3 Federal Securities

4 “Federal Securities” means (1) cash; (2) State and Local Government
5 Series Securities issued by the United States Treasury; (3) United States Treasury
6 bills, notes and bonds, as traded on the open market; and (4) zero coupon United
7 States Treasury Bonds.

8 Fiduciaries

9 “Fiduciaries” means the Trustee, each Depositary and each Paying
10 Agent.

11 Fiscal Year

12 “Fiscal Year” means the period beginning on October 1 of each year
13 and ending on the next succeeding September 30, or any other twelve-month
14 period hereafter selected and designated as the official fiscal year period of the
15 Government.

16 Fund

17 “Fund” means each fund established and given a designation pursuant
18 to this Certificate or any Supplemental Certificate.

19 General Fund

20 “General Fund” means the fund by that name established by the
21 Government.

1 Government

2 “Government” means the Government of Guam.

3 Governor

4 “Governor” means the Governor of Guam or any successor to the
5 rights, powers and obligations thereof under the Act with respect to the Bonds.

6 Holder or Bondholder

7 “Holder” or “Bondholder” means the person in whose name a Bond is
8 registered.

9 Independent

10 “Independent” means, when used with respect to any given Person,
11 that such Person (who may be selected and paid by the Government) is acceptable
12 to the applicable Fiduciary and (1) is in fact independent and, not under
13 domination of the Government; (2) does not have any substantial interest, direct or
14 indirect, with the Government; and (3) is not connected with the Government as
15 an officer or employee of the Government, but who may be regularly retained to
16 provide services to the Government.

17 Interest Accrual Period

18 “Interest Accrual Period” means, for any particular Bond, each period
19 between successive Interest Payment Dates for such Bond, including in each case
20 in such period the concluding Interest Payment Date but not the beginning Interest
21 Payment Date, and treating the date of original issuance of such Bond as if it were
22 an Interest Payment Date for such Bond for this purpose.

1 Interest Payment Date

2 “Interest Payment Date” means, for any particular Bond, each date
3 specified by this Certificate as an Interest Payment Date for such Bond.

4 Investment Securities

5 “Investment Securities” means any of the following which at the time
6 are legal investments under the laws of the Government of Guam for moneys held
7 hereunder and then proposed to be invested therein: (1) obligations of, or
8 guaranteed as to principal and interest by, the United States of America, or by any
9 agency or instrumentality thereof hereinafter designated when such obligations are
10 backed by the full faith and credit of the United States of America, limited to: U.S.
11 Treasury obligations (all direct or fully guaranteed obligations); Farmers Home
12 Administration certificates of beneficial ownership; General Services
13 Administration participation certificates; U.S. Maritime Administration guaranteed
14 Title XI financing; Small Business Administration guaranteed participation
15 certificates or guaranteed pool certificates; Government National Mortgage
16 Association guaranteed mortgage backed securities or participation certificates;
17 U.S. Department of Housing & Urban Development local authority bonds; or
18 Washington Metropolitan Area Transit Authority guaranteed transit bonds; (2)
19 obligations of instrumentalities or agencies of the United States of America,
20 specifically limited to: Federal Home Loan Mortgage Corporation participation
21 certificates or debt obligations; Federal Home Loan Banks consolidated debt
22 obligation or letter of credit backed issues; and Federal National Mortgage
23 Association debt obligations or mortgage backed securities (excluding stripped
24 mortgage securities which are valued greater than par on the portion of unpaid
25 principal); (3) Federal Housing Administration debentures; (4) commercial paper,

1 payable in the United States of America, having original maturities of not more
2 than 92 days and which are rated in the highest category by Standard & Poor's
3 Corporation; (5) interest bearing demand or time deposits issued by state banks or
4 trust companies, savings and loan associations, federal savings banks or any
5 national banking associations, the deposits of which are insured by the Bank
6 Insurance Fund ("BIF") or the Savings Association Insurance Fund ("SAIF") of
7 the Federal Deposit Insurance Corporation or any successors thereto, which (a) are
8 continuously and fully insured by BIF or SAIF or (b) have maturities of less than
9 366 days and are deposited with banks the short term obligations of which are
10 rated A-1+ by Standard and Poor's Corporation; (6) money market mutual funds or
11 portfolios investing in short-term U.S. Treasury securities, or obligations secured
12 by such securities, rated AAAm or AAAm-G by Standard & Poor's Corporation;
13 and (7) any other investment permitted under the laws of Guam for which
14 confirmation is received from each rating agency then rating the Bonds that such
15 investment will not adversely affect such agency's ratings on outstanding Bonds.
16 Book-entry securities listed in clauses (1) and (2) of this definition must be held in
17 a trust account with the Federal Reserve Bank or with a clearing corporation or
18 chain of clearing corporations which has an account with the Federal Reserve
19 Bank. Upon notice that the Standard & Poor's rating of the money market
20 portfolio has dropped below AAA, the applicable Fiduciary is required to
21 immediately withdraw funds and reinvest in Investment Securities complying with
22 this definition to the extent directed by the Government.

23 Legislature

24 "Legislature" means the Legislature of Guam or any successor to the
25 rights, powers and obligations thereof under the Act with respect to the Bonds.

1 Mandatory Sinking Account Payment

2 “Mandatory Sinking Account Payment” means, as of any date of
3 calculation with respect to any Bonds, the amount required by this Certificate to be
4 paid by the Government on a given date for the retirement of Term Bonds.

5 Outstanding

6 “Outstanding,” when used as of any particular time with reference to
7 Bonds, means (subject to the provisions of Section 11.08) all Bonds theretofore, or
8 thereupon being, authenticated and delivered by the Paying Agent under this
9 Certificate except (1) Bonds theretofore cancelled by the Paying Agent or
10 surrendered to the Paying Agent for cancellation; (2) Bonds with respect to which
11 all liability of the Government shall have been discharged in accordance with
12 Section 10.02, including Bonds (or portions of Bonds) referred to in Section 11.09;
13 and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for
14 which other Bonds of the same maturity and tenor shall have been authenticated
15 and delivered by the Paying Agent pursuant to this Certificate.

16 Participants

17 “Participants” means those broker-dealers, banks and other financial
18 institutions from time to time for which DTC holds Bonds as a securities
19 depository.

20 Paying Agent

21 “Paying Agent” means, U.S. Bank National Association, a national
22 banking association organized under the laws of the United States of America, as
23 paying agent and its successors and assigns as provided in Section 8.06.

1 Person

2 “Person” means an individual, corporation, firm, association,
3 partnership, trust, or other legal entity or group of entities, including a
4 governmental entity or any agency or political subdivision thereof.

5 Principal Office

6 “Principal Office” means, with respect to the Trustee, the office of the
7 Trustee in Hagåtña, Guam; with respect to the Paying Agent, the office of the
8 Paying Agent in Los Angeles, California, or, with respect to the transfer,
9 registration, exchange and cancellation of Bonds, the office of the Paying Agent in
10 St. Paul, Minnesota; and, with respect to the Depositary for the Proceeds Fund, the
11 office of the Depositary in Hagåtña, Guam; in each case at such address as the
12 respective party may have designated for such purpose.

13 Principal Payment Period

14 “Principal Payment Period” means the period beginning on the date of
15 issuance of the Bonds and ending _____, 2013, and thereafter each period of
16 twelve months ending on a _____.

17 Proceeds Fund

18 “Proceeds Fund” means the fund by that name created pursuant to
19 Section 3.03.

20 General Fund Expenses

21 “General Fund Expenses” means capital projects to be implemented
22 or equipped using bond proceeds, including: (1) capital expense items and capital

1 improvement projects of the Guam Public School System as listed in Exhibit B, (2)
2 payments as ordered by the judgment in *Rios v. Camacho*, Guam Superior Court
3 Case No. SP0206-93, (3) past due income tax refund payments, (4) capital
4 improvement projects of the Guam Memorial Hospital, (5) renovation and
5 expansion of the Nursing/Health Science Building at University of Guam, (6)
6 expenses of the Department of Integrated Services for Individuals with Disabilities
7 in accordance with the Guam Comprehensive Integration Plan as finally approved,
8 (7) expenses of the Department of Mental Health and Substance Abuse in
9 accordance with the Guam Comprehensive Integration Plan as finally approved,
10 (8) the assessment of real property by the Department of Revenue and Taxation in
11 fiscal year 2008, (9) purchase and installation of public school water tanks and
12 water fountains, (10) the APASI system expenses of the Department of Law, (11)
13 capital and operating expenses of the Guam Memorial Hospital, and (12) any other
14 projects approved by subsequent legislation.

15 Rebate Fund

16 “Rebate Fund” means the Fund by that name established pursuant to
17 Section 5.01.

18 Record Date

19 “Record Date” means, for any particular payment of principal of or
20 interest or premium on particular Bonds, each date specified as a Record Date for
21 such Bonds by Section 2.02.

22 Redemption Price

23 “Redemption Price” means, with respect to any Bond (or portion
24 thereof if less than all of a Bond is to be redeemed) the principal amount of such

1 Bond (or portion) plus the applicable premium, if any, payable upon redemption
2 thereof pursuant to the provisions of such Bond and this Certificate.

3 Representation Letter

4 “Representation Letter” means the letter of representations to DTC
5 with respect to the Bonds, and any similar letter with respect to any Bonds to
6 which the provisions of Section 2.10 are made applicable.

7 Sinking Accounts

8 “Sinking Accounts” means any special account or accounts
9 established by this Certificate in the Bond Fund for the payment of Term Bonds.

10 Supplemental Certificate

11 “Supplemental Certificate” means any certificate hereafter duly
12 authorized and executed by the Government, supplementing, modifying or
13 amending this Certificate; but only if and to the extent that such Supplemental
14 Certificate is specifically authorized hereunder.

15 Tax Certificate

16 “Tax Certificate” means a Certificate of the Government concerning
17 the calculation of any amount to be paid to the United States of America pursuant
18 to Section 148(f) of the Code and any other matters relating to the exclusion of
19 interest on Bonds from gross income for federal income tax purposes.

20 Trustee

21 “Trustee” means Bank of Guam, appointed by the Government and
22 acting as an independent trustee hereunder with the duties and powers herein

1 provided, and any other corporation or association which may at any time be
2 substituted in its place as such trustee, as provided in Section 8.01.

3 Section 1.02. Content of Certificates and Opinions. Every certificate
4 or opinion provided for in this Certificate with respect to compliance with any
5 provision hereof, including each Certificate of the Government, shall include (1) a
6 statement that the person making or giving such certificate or opinion has read
7 such provision and the definitions herein relating thereto; (2) a brief statement as to
8 the nature and scope of the examination or investigation upon which the certificate
9 or opinion is based; (3) a statement that, in the opinion of such person, he or she
10 has made or caused to be made such examination or investigation as is necessary to
11 enable him or her to express an informed opinion with respect to the subject matter
12 referred to in such instrument; and (4) a statement as to whether, in the opinion of
13 such person, such provision has been complied with.

14 Any such certificate or opinion made or given by an officer of the
15 Government may be based, insofar as it relates to legal or accounting matters, upon
16 a certificate or opinion of or representation by counsel or an accountant, unless
17 such officer knows, or in the exercise of reasonable care should know, that the
18 certificate, opinion or representation with respect to the matters upon which such
19 certificate or statement may be based, as aforesaid, is erroneous. Any such
20 certificate or opinion made or given by counsel or an accountant may be based,
21 insofar as it relates to factual matters (with respect to which information is in the
22 possession of the Government) upon a certificate or opinion of or representation by
23 an officer of the Government, unless such counsel or accountant knows, or in the
24 exercise of reasonable care should know, that the certificate or opinion or
25 representation with respect to the matters upon which such officer's certificate or
26 opinion or representation may be based, as aforesaid, is erroneous. The same

1 officer of the Government or the same counsel or accountant, as the case may be,
2 need not certify to all of the matters required to be certified under any provision of
3 this Certificate, but different officers, counsel or accountants may certify to
4 different matters, respectively.

5 Section 1.03. Equal Security. In consideration of the acceptance of the
6 Bonds by those who shall hold the same from time to time, this Certificate shall be
7 deemed to be and shall constitute a contract between the Government and the
8 Holders from time to time of the Bonds; and the covenants and agreements herein
9 set forth to be performed on behalf of the Government shall be for the equal and
10 proportionate benefit, security and protection of all Holders of the Bonds without
11 preference, priority or distinction as to security or otherwise of any of the Bonds
12 over any of the others by reason of the number or date thereof or the time of issue,
13 sale, execution or delivery thereof, or otherwise for any cause whatsoever, except
14 as expressly provided therein or herein.

ARTICLE II

THE BONDS

Section 2.01. Authorization of Bonds. The Bonds to be issued hereunder are designated as the "Government of Guam General Obligation Bonds, 2008 Series A." The aggregate principal amount of Bonds which may be issued and Outstanding under this Certificate shall not exceed One Hundred Fifty One Million Nine Hundred Thirty Five Thousand Dollars (\$151,935,000).

23 Section 2.02. Terms of the Bonds. (A) The Bonds shall be dated
24 _____, 200_, and interest thereon shall be payable on ____ and _____
25 in each year, commencing _____, 2008 (each an "Interest Payment Date").

The Bonds shall be issued only in fully registered form in denominations of \$5,000 or any integral multiple thereof, shall mature on the following dates in the following amounts and shall bear interest at the following rates per annum:

Maturity Date ()	Principal Amount	Interest Rate
2023	\$27,195,000	5.000%
2027	27,120,000	5.125
2037	97,620,000	5.250

The Bonds maturing on _____, 2023, 2027 and 2037 are Term Bonds. The Record Date for scheduled payments of principal of and interest on the Bonds is the first (1st) day of the calendar month in which each such payment is due, whether or not such first day is a Business Day.

(B) The Bonds and the form of Paying Agent's certificate of authentication and registration to appear thereon shall be in substantially the respective forms set forth in Exhibit A hereto, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Certificate. Any portion of the text of any Bond may be printed on the back of such Bond and there may be inserted, in place of such text, a legend to the following effect: "Reference is hereby made to the further provisions of this Bond set forth on the back hereof and such further provisions are hereby incorporated by reference as if set forth here."

Each Bond shall bear interest, computed on the basis of a 360-day year of twelve 30-day months, from the Interest Payment Date next preceding the date of registration thereof unless it is registered as of a day after a Record Date

1 and on or before the related Interest Payment Date, in which event it shall bear
2 interest from such Interest Payment Date, or unless it is registered on or before the
3 Record Date for the first Interest Payment Date, in which event it shall bear interest
4 from its date; provided, however, that if, at the time of registration of any Bond,
5 interest is in default on Outstanding Bonds, such Bond shall bear interest from the
6 date to which interest has previously been paid or made available for payment on
7 the Outstanding Bonds. Payment of the interest on any Bond shall be made to the
8 person whose name appears on the bond registration books of the Paying Agent as
9 the registered owner thereof as of the close of business on the Record Date
10 immediately preceding an Interest Payment Date, such interest to be paid by check
11 or draft mailed by first class mail to such registered owner at such registered
12 owner's address as it appears on such registration books. The principal or
13 Redemption Price of the Bonds shall be payable in lawful money of the United
14 States of America upon surrender thereof at the Principal Office of the Paying
15 Agent. Upon the written request of a registered owner of one million dollars
16 (\$1,000,000) or more in aggregate principal amount of Bonds received prior to the
17 applicable Record Date, payment of interest on and principal (including
18 Redemption Price) of such Bonds shall be made by wire transfer from the Paying
19 Agent to the registered owner of such Bonds. Any such principal payment by wire
20 transfer shall nevertheless be subject to prior surrender of the Bonds with respect to
21 which such payment is made. Each payment of interest or principal on Bonds,
22 whether by check, draft or wire transfer, shall be accompanied by information
23 specifying for each maturity of such Bonds with respect to which such payment is
24 being made, the amount and the CUSIP number (if available).

25 The Bonds of each maturity shall be assigned a number in consecutive
26 numerical order from 1 upwards, and shall be assigned a letter in consecutive

1 alphabetical order within such maturity from "A" onward (excepting therefrom the
2 letters "I" and "O").

3 (C) The Bonds shall be subject to redemption as provided in Article
4 IV.

5 Section 2.03. Execution of Bonds. The Bonds shall be executed in the
6 name and on behalf of the Government with the manual or facsimile signatures of
7 the Governor of Guam, the Lieutenant Governor and the Director of
8 Administration under its seal. Such seal may be in the form of a facsimile of the
9 Government's seal and may be reproduced, imprinted or impressed on the Bonds.
10 The Bonds shall then be delivered to the Paying Agent for authentication by it. In
11 case any of the officers who shall have signed or attested any of the Bonds shall
12 cease to be such officer or officers of the Government before the Bonds so signed
13 or attested shall have been authenticated or delivered by the Paying Agent or
14 issued by the Government, such Bonds may nevertheless be authenticated,
15 delivered and issued and, upon such authentication, delivery and issue, shall be as
16 binding upon the Government as though those who signed and attested the same
17 had continued to be such officers of the Government, and also any Bond may be
18 signed and attested on behalf of the Government by such persons as at the actual
19 date of execution of such Bond shall be the proper officers of the Government
20 although at the nominal date of such Bond any such person shall not have been
21 such officer of the Government.

22 Only such of the Bonds as shall bear thereon a certificate of
23 authentication and registration in the form set forth in Exhibit A hereto, manually
24 executed by the Paying Agent, shall be valid or obligatory for any purpose or
25 entitled to the benefits of this Certificate, and such certificate of the Paying Agent

1 shall be conclusive evidence that the Bonds so authenticated have been duly
2 executed, authenticated and delivered hereunder and are entitled to the benefits of
3 this Certificate.

4 Section 2.04. Transfer of Bonds. Any Bond may, in accordance with
5 its terms, be transferred, upon the books required to be kept pursuant to the
6 provisions of Section 2.06, upon surrender of such Bond for cancellation at the
7 Principal Office of the Paying Agent, accompanied by a written instrument of
8 transfer, duly executed, by the person in whose name it is registered, in person or
9 by such registered owner's duly authorized attorney, in a form approved by the
10 Paying Agent.

11 Whenever any Bond or Bonds shall be surrendered for transfer, the
12 Government shall execute and the Paying Agent shall authenticate and deliver a
13 new Bond or Bonds of the same maturity and tenor, of any authorized
14 denomination or denominations and for the aggregate principal amount of such
15 Bond or Bonds then remaining Outstanding, to the transferee in exchange therefor.
16 The Paying Agent shall require the payment by the Bondholder requesting such
17 transfer of any tax or other governmental charge required to be paid with respect to
18 such transfer.

19 No transfer or exchange of any Bond shall be required to be made
20 during the five days next preceding any date established by the Paying Agent for
21 the selection of Bonds for redemption or at any time after selection of such Bond
22 for redemption.

23 Section 2.05. Exchange of Bonds. Any Bonds may, in accordance with
24 their terms, be exchanged, at the Principal Office of the Paying Agent for a new
25 Bond or Bonds of the same Maturity and tenor, of any authorized denomination or

1 denominations and for the aggregate principal amount of such Bond or Bonds then
2 remaining Outstanding. The Paying Agent shall require the payment by the
3 Bondholder requesting such exchange of any tax or other governmental charge
4 required to be paid with respect to such exchange.

5 Section 2.06. Bond Register. The Paying Agent will keep or cause to
6 be kept, at its Principal Office sufficient books for the registration and transfer of
7 the Bonds, which shall at all times during regular business hours with reasonable
8 prior notice be open to inspection by the Government; and, upon presentation for
9 such purpose, the Paying Agent shall, under such reasonable regulations as it may
10 prescribe, register or transfer or cause to be registered or transferred, on such
11 books, Bonds as hereinbefore provided.

12 Section 2.07. Ownership of Bonds. The person in whose name any
13 Bond shall be registered shall be deemed and regarded as the absolute owner
14 thereof for all purposes, and payment of or on account of the principal and
15 Redemption Price of, and the interest on, any such Bond, shall be made only to or
16 upon the order of the registered owner thereof or such registered owner's legal
17 representative. All such payments shall be valid and effectual to satisfy and
18 discharge the liability upon such Bond including the interest thereon to the extent
19 of the sum or sums so paid.

20 Section 2.08. Temporary Bonds. The Bonds may be initially issued in
21 temporary form exchangeable for definitive Bonds when ready for delivery. Any
22 temporary Bond may be printed, lithographed or typewritten, shall be of such
23 denomination as may be determined by the Government, shall be in registered
24 form without coupons and may contain such reference to any of the provisions of
25 this Certificate as may be appropriate. Every temporary Bond shall be executed by

1 the Government and be authenticated by the Paying Agent upon the same
2 conditions and in substantially the same manner as the definitive Bonds. If the
3 Government issues temporary Bonds it will execute and furnish definitive Bonds
4 without delay, and thereupon the temporary Bonds may be surrendered, for
5 cancellation, in exchange therefor at the Principal Office of the Paying Agent and
6 the Paying Agent shall authenticate and deliver in exchange for such temporary
7 Bonds an equal aggregate principal amount of definitive Bonds of the same
8 Maturity and tenor and of authorized denominations. Until so exchanged, the
9 temporary Bonds shall be entitled to the same benefits under this Certificate as
10 definitive Bonds authenticated and delivered hereunder.

11 Section 2.09. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond
12 shall become mutilated, the Government, at the expense of the Holder of said
13 Bond, shall execute, and the Paying Agent shall thereupon authenticate and
14 deliver, a new Bond of like tenor in exchange and substitution for the Bond so
15 mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated.
16 Every mutilated Bond so surrendered to the Paying Agent shall be cancelled by it
17 and destroyed. If any Bond shall be lost, destroyed or stolen, evidence of such
18 loss, destruction or theft may be submitted to the Government and the Paying
19 Agent and, if such evidence be satisfactory to both and indemnity satisfactory to
20 both shall be given, the Government, at the expense of the Holder, shall execute,
21 and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like
22 tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen, except
23 that such number may be preceded by a distinguishing prefix (or if any such Bond
24 shall have matured or shall have been called for redemption, instead of issuing a
25 substitute Bond, the Paying Agent may pay the same without surrender thereof).
26 The Government may require payment of a sum not exceeding the actual cost of

1 preparing each new Bond issued under this Section and of the expenses which may
2 be incurred by the Government and the Paying Agent in the premises. Any Bond
3 issued under the provisions of this Section in lieu of any Bond alleged to be lost,
4 destroyed or stolen shall constitute an original additional contractual obligation on
5 the part of the Government whether or not the Bond so alleged to be lost, destroyed
6 or stolen be at any time enforceable by anyone, and shall be equally and
7 proportionately entitled to the benefits of this Certificate with all other Bonds
8 secured by this Certificate. Neither the Government nor the Paying Agent shall be
9 required to treat both the original Bond and any substitute Bond as being
10 Outstanding for the purpose of determining the Accreted Value of Bonds which
11 may be issued hereunder or for the purpose of determining any percentage of
12 Bonds Outstanding hereunder, but both the original and substitute shall be treated
13 as one and the same.

14 Section 2.10. Book-entry System. Notwithstanding any of the other
15 provisions of this Article II to the contrary, the Bonds shall be initially issued in
16 the form of a separate single fully registered Bond for each maturity; the ownership
17 of the Bonds shall be registered in the registration books kept by the Registrar in
18 the name of Cede & Co., as nominee of DTC and the Bonds shall be governed by
19 the provisions of this Section.

20 (A) Except as provided in this paragraph and in paragraph (C) of this
21 Section, all of the Outstanding Bonds shall be registered in the registration books
22 kept by the Paying Agent in the name of Cede & Co., as nominee of DTC. With
23 respect to the Bonds registered in the registration books kept by the Paying Agent
24 in the name of Cede & Co., as nominee of DTC, the Government, the Paying
25 Agent and the Depository shall have no responsibility or obligation to any
26 Participant or to any person on behalf of which a Participant holds an interest in the

1 Bonds. Without limiting the immediately preceding sentence, the Government, the
2 Paying Agent and the Depositary shall have no responsibility or obligation with
3 respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant
4 with respect to any ownership interest in the Bonds, (ii) the delivery to any
5 Participant or any other person, other than a Bondholder, as shown in the
6 registration books kept by the Paying Agent of any notice with respect to the
7 Bonds, including any notice of redemption, or (iii) the payment to any Participant
8 or any other person, other than a Bondholder, as shown in the registration books
9 kept by the Paying Agent of any amount with respect to principal of or interest on
10 the Bonds. The Government, the Paying Agent and the Depositary may treat and
11 consider the person in whose name each Bond is registered in the registration
12 books kept by the Paying Agent as the holder and absolute owner of such Bond for
13 the purpose of payment of principal, premium and interest with respect to such
14 Bond, for the purpose of giving notices of redemption and other matters with
15 respect to such Bond, for the purpose of registering transfers with respect to such
16 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all
17 principal of and interest on the Bonds only to or upon the order of the respective
18 Bondholders, as shown in the registration books kept by the Paying Agent as
19 provided in Section 2.06, or their respective attorneys duly authorized in writing,
20 and all such payments shall be valid and effective to fully satisfy and discharge the
21 Government's obligations with respect to payment of principal of and interest on
22 the Bonds to the extent of the sum or sums so paid. No person other than a
23 Bondholder, as shown in the registration books kept by the Paying Agent, shall
24 receive a certificated Bond evidencing the obligation of the Government to make
25 payments of principal and interest pursuant to this Certificate. Upon delivery by
26 DTC to the Government or the Paying Agent of written notice to the effect that
27 DTC has determined to substitute a new nominee in place of Cede & Co., and

1 subject to the provisions herein with respect to record dates, the words "Cede &
2 Co." in this Certificate shall refer to such new nominee of DTC.

3 (B) The delivery of any representation letter or other instrument by
4 the Government to DTC shall not in any way limit the provisions of paragraph (A)
5 of this Section or in any other way impose upon the Government any obligation
6 whatsoever with respect to persons having interests in the Bonds other than the
7 Bondholders, as shown on the registration books kept by the Paying Agent. The
8 Paying Agent shall take all action necessary for all representations of the
9 Government in the Representation Letter with respect to the Paying Agent to at all
10 times be complied with.

11 (C) DTC may determine to discontinue providing its services with
12 respect to the Bonds at any time by giving reasonable notice to the Government or
13 the Paying Agent and discharging its responsibilities with respect thereto under
14 applicable law. The Government, in its sole discretion and without the consent of
15 any other person, may terminate the services of DTC with respect to the Bonds.
16 Upon the discontinuance or termination of the services of DTC with respect to the
17 Bonds, unless a substitute securities depository is appointed to undertake the
18 functions of DTC hereunder, the Government is obligated to deliver Bond
19 certificates at the expense of the beneficial owners of the Bonds, as described in
20 this Certificate, and the Bonds shall no longer be restricted to being registered in
21 the registration books kept by the Paying Agent in the name of Cede & Co. as
22 nominee of DTC, but may be registered in whatever name or names Bondholders
23 transferring or exchanging Bonds shall designate, in accordance with the
24 provisions of this Certificate.

(D) Notwithstanding any other provision of this Certificate to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in any agreement between the Government and DTC. Bondholders shall have no lien or security interest in any rebate or refund paid by DTC to the Paying Agent which arises from the payment by the Paying Agent of principal of or interest on the Bonds in immediately available funds to DTC.

ARTICLE III

ISSUE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance, Sale and Delivery of Bonds. Upon the sale and execution thereof by the Government, the Paying Agent shall authenticate and, upon receipt by the Paying Agent, as applicable, of the proceeds thereof, deliver, to or upon the Order of the Government, Bonds in the aggregate principal amount of \$_____.

Section 3.02. Application of Proceeds of Bonds. (A) The proceeds received from the issuance and sale of the Bonds in the amount of \$_____ shall be deposited in trust with the Paying Agent in the Bond Proceeds Account, which is hereby established. The Paying Agent shall forthwith transfer or set aside such proceeds in the following respective funds, as applicable, as directed by a Request of the Government:

(1) The Paying Agent shall transfer \$_____ of such proceeds to the Income Tax Reserve Fund established by the Government; and

1 (2) The Paying Agent shall transfer to the Trustee, and the
2 Trustee, acting as Depositary, shall deposit in the Proceeds Fund, the
3 balance of such proceeds in the amount of \$_____. The wire
4 instructions for such transfer are as follows:

5 Bank of Guam
6 111 Chalan Santo Papa
7 Hågatña, Guam 96910
8 ABA# 121405115
9 DDA#: 0101-119969
10 DDA Name: Trust Department
11 Ref.: GG 2007A GO

12 Thereafter, the Paying Agent shall close the Bond Proceeds Account.

13 Section 3.03. Establishment and Application of Proceeds Fund. The
14 Depositary shall establish and maintain and hold in trust a separate fund designated
15 as the "Proceeds Fund." Amounts in the Proceeds Fund shall be used and
16 withdrawn, as provided in this Section, solely for (1) paying General Fund
17 Expenses pursuant to the Act, (2) the payment of Costs of Issuance, and (3) the
18 payment of principal of and interest on the Bonds in the manner and to the extent
19 provided in Section 5.05. The Depositary shall disburse moneys in the Proceeds
20 Fund only upon Requisition of the Government (except for the payment of
21 principal and interest on the Bonds which shall be made as provided in
22 Section 5.05) stating the person or entity to whom payment is to be made, the
23 amount to be paid, the purpose for which the obligation was incurred and that such
24 payment is a proper and lawful charge against said fund. Upon receipt of a

1 (B) Mandatory Sinking Account Redemption. The Bonds maturing
2 on _____, 20__ are also subject to redemption prior to their stated maturity
3 in part, by lot, from Mandatory Sinking Account Payments established for such
4 maturity in Section 5.03(C), on each _____, on or after _____, 20__,
5 at the principal amount thereof and interest accrued thereon to the date fixed for
6 redemption, without premium.

7 The Bonds maturing on _____, 20__ are also subject to
8 redemption prior to their stated maturity in part, by lot, from Mandatory Sinking
9 Account Payments established for such maturity in Section 5.03(C), on each
10 _____, on or after _____, 20__, at the principal amount thereof and
11 interest accrued thereon to the date fixed for redemption, without premium.

12 The Bonds maturing on _____, 20__ are also subject to
13 redemption prior to their stated maturity in part, by lot, from Mandatory Sinking
14 Account Payments established for such maturity in Section 5.03(C), on each
15 _____, on or after _____, 20__, at the principal amount thereof and
16 interest accrued thereon to the date fixed for redemption, without premium.

17 Section 4.02. Selection of Bonds for Redemption. In the event that less
18 than all of the Bonds of any maturity are to be redeemed, the amount of each
19 maturity of the Bonds to be redeemed shall be determined by Request of the
20 Government, and the Bonds (or portions thereof) to be redeemed shall be selected
21 by the Paying Agent by lot within a maturity in such manner as the Paying Agent
22 may determine. For purposes of selecting Bonds (or portions thereof) for
23 redemption, Bonds shall be deemed to be composed of \$5,000 portions, and any
24 such portion may be separately redeemed. The Paying Agent shall promptly notify

1 the Government in writing of the Bonds or portions thereof selected for
2 redemption.

3 Section 4.03. Notice of Redemption. Notice of redemption (except as
4 provided below) shall be given by the Paying Agent, not less than thirty (30) nor
5 more than sixty (60) days before the date fixed for redemption, by first class mail
6 to each of the registered owners of Bonds designated for redemption at their
7 addresses appearing on the bond registration books of the Paying Agent on the date
8 the Bonds to be redeemed are selected. Each notice of redemption shall state the
9 redemption date, the place or places of redemption, any conditions to such
10 redemption, the maturities to be redeemed, and, if less than all of any such
11 maturity, the numbers of the Bonds of such maturity to be redeemed and, in the
12 case of Bonds to be redeemed in part only, the respective portions of the principal
13 amount thereof to be redeemed, and shall also state that on said date there will
14 become due and payable on each of said Bonds the Redemption Price thereof or of
15 said specified portion of the principal thereof in the case of a Bond to be redeemed
16 in part only, together with interest accrued thereon to the redemption date, and that
17 from and after such redemption date interest thereon shall cease to accrue, and
18 shall require that such Bonds be then surrendered, with a written instrument of
19 transfer duly executed by the registered owner thereof or by such registered
20 owner's attorney duly authorized in writing. No defect in or failure to give such
21 mailed notice of redemption shall affect the validity of proceedings for redemption
22 of such Bonds. Each notice of redemption shall also state the CUSIP number, date
23 of issue and interest rate on each Bond, or portion thereof, to be redeemed, and
24 shall include the redemption agent name and address with contact person and
25 telephone number; provided, however, that failure to include any of such

1 information in any redemption notice, or any inaccuracy in any such information,
2 shall not affect the sufficiency of the proceedings for redemption of any Bonds.

3 A copy of any notice of redemption given pursuant to the foregoing
4 paragraph shall also be sent by overnight delivery or certified mail, with return
5 receipt requested, to the holders of \$1,000,000 or more in aggregate principal
6 amount of Bonds to be redeemed and to each of the Fiduciaries, the Securities
7 Depositories (as defined below) and two or more Information Services (as defined
8 below); provided, however, that failure to give notice pursuant to this sentence by
9 first class mail to any Bondholders, to any Fiduciaries, to any Securities
10 Depositories or Information Services, or to publish such notice, or the insufficiency
11 of any such notices, shall not affect the sufficiency of the proceedings for
12 redemption of any Bonds. A second notice shall be sent, by certified mail with
13 return receipt requested, to the registered owner of any Bond which has been called
14 for redemption in whole or in part, and is not surrendered for payment within sixty
15 (60) days after the date fixed for redemption; provided, however, that failure to
16 send any such second notice, or any deficiency of any such notice, shall not affect
17 the sufficiency of the proceedings for redemption of any Bonds. As used in this
18 paragraph, the term "Information Services" means Financial Information,
19 Incorporated's "Daily Called Bond Service," 30 Montgomery Street, 10th Floor,
20 Jersey City, New Jersey 07302, Attention: Editor; Mergent/FIS, Inc., 5250 77
21 Center Drive, Suite 150, Charlotte, North Carolina 28217, Attention: Municipal
22 News Report; and Kenny S&P, 55 Water Street, 45th Floor, New York, New York
23 10041, Attention: Notification Department; or, in accordance with then-current
24 guidelines of the Securities and Exchange Commission, and/or such other services
25 providing information with respect to called bonds, or no such services, as the
26 Government may designate in a Certificate delivered to the Paying Agent; and the

1 term "Securities Depositories" means: The Depository Trust Company, 711
2 Stewart Avenue, Garden City, New York 11530, Fax-(516) 227-4039 or 4190 or,
3 in accordance with then-current guidelines of the Securities and Exchange
4 Commission, and/or such other securities depositories, or no such depositories, as
5 the Government may designate in a Certificate delivered to the Paying Agent.

6 Notice of redemption of Bonds shall be given by the Paying Agent for
7 and on behalf of the Government.

8 The Government may, at its option, prior to the date fixed for
9 redemption, rescind and cancel such notice of redemption.

10 Section 4.04. Partial Redemption. Upon surrender of any Bond
11 redeemed in part only, the Government shall execute and the Paying Agent shall
12 authenticate and deliver to the registered owner thereof, at the expense of the
13 Government, a new Bond or Bonds of authorized denominations, and of the same
14 maturity and tenor, equal in aggregate principal amount to the unredeemed portion
15 of the Bond surrendered.

16 Section 4.05. Effect of Redemption. Notice of redemption having been
17 duly given as aforesaid, and moneys being held by the Trustee or any Paying
18 Agent for payment of the Redemption Price of, and interest accrued to the
19 redemption date on, the Bonds (or portions thereof) so called for redemption on the
20 redemption date designated in such notice shall become due and payable at the
21 Redemption Price specified in such notice and interest accrued thereon to the date
22 fixed for redemption, interest on the Bonds so called for redemption shall cease to
23 accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or
24 security under this Certificate, and the Holders of said Bonds shall have no rights

1 in respect thereof except to receive payment of said Redemption Price and accrued
2 interest.

3 All Bonds purchased or redeemed pursuant to the provisions of this
4 Article shall be cancelled upon surrender thereof and destroyed.

5 ARTICLE V

7 FUNDS

8 Section 5.01. Establishment of Funds. (A) The Depositary shall
9 establish, maintain and hold in trust the Proceeds Fund as provided in Section 3.03.

10 (B) The Trustee shall establish and maintain the following Funds
11 and Accounts:

12 (1) the Bond Fund; and

13 (2) the Rebate Fund.

14 (C) All moneys at any time deposited with the Trustee or the
15 Depositary, as the case may be, shall be held by the Trustee or the Depositary, as
16 the case may be, in trust for the benefit of the Holders at any time of the Bonds,
17 except that the Rebate Fund shall be held for the benefit of the United States
18 Government, and the Government shall have no beneficial right or interest in any
19 of such moneys, except as in this Certificate provided.

20 Section 5.02. Periodic Deposits into Funds. On or before the fifth day
21 of each calendar month, beginning _____, 200_, the Government shall
22 deposit into the Bond Fund held by the Trustee, an amount equal to the amount
23 necessary to increase the amount in the Bond Fund to the aggregate amount for all

1 Outstanding Bonds of all unpaid interest, principal and Mandatory Sinking
2 Account Payments which shall be required to have been transferred to the Bond
3 Fund on the basis of the following transfer requirement rules:

4 (1) the amount of interest payable on each Bond on a current
5 uncompounded basis on any Interest Payment Date shall be transferred in
6 equal monthly amounts over the Interest Accrual Period for such Bond
7 ending on such Interest Payment Date (or in the case of Variable Rate
8 Bonds, the amount of interest that would have accrued during the next
9 preceding calendar month if such Bonds had borne interest at the maximum
10 rate, less any excess deposited for the next preceding calendar month);

11 (2) the amount of interest payable on each Bond on a deferred
12 compounded basis on any Interest Payment Date shall be transferred in equal
13 monthly amounts over the Principal Payment Period for such Bond ending
14 on the maturity date for such Bond;

15 (3) the amount of the principal of each Bond shall be transferred
16 in equal monthly amounts over the Principal Payment Period for such Bond
17 ending on the maturity date for such Bond; and

18 (4) the amount of each Mandatory Sinking Account Payment
19 for Bonds shall be transferred in equal monthly amounts over the Principal
20 Payment Period for such Bonds ending on the date such Mandatory Sinking
21 Account Payment is due.

22 Section 5.03. Application of Bond Fund. (A) All amounts in the Bond
23 Fund shall be used and withdrawn by the Trustee solely for the purpose of (1)
24 paying interest on the Bonds as it shall become due and payable (including accrued

1 interest on any Bonds purchased or redeemed prior to maturity pursuant to this
2 Certificate), (2) paying the principal of the Serial Bonds when due and payable,
3 and (3) purchasing or redeeming or paying at maturity the Term Bonds as provided
4 in this Section.

5 (B) On each Mandatory Sinking Account Payment date, the Trustee
6 shall apply the Mandatory Sinking Account Payment or Payments required on that
7 date to the redemption (or payment at maturity, as the case may be) of the
8 applicable Term Bonds upon the notice and in the manner provided in Article IV.
9 At any time prior to giving such notice of such redemption, the Trustee, upon the
10 Request of the Government, shall apply moneys in the Bond Fund, in an amount
11 not in excess of such Mandatory Sinking Account Payment, to the purchase of the
12 applicable Term Bonds at public or private sale, as and when and at such prices
13 (including brokerage and other charges) as are specified in such Request, except
14 that the purchase price (excluding accrued interest) shall not exceed the price that
15 would be payable for such Bonds upon redemption by application of such
16 Mandatory Sinking Account Payment. If less than all of the Term Bonds of any
17 maturity are to be redeemed other than by application of Mandatory Sinking
18 Account Payments, the remaining Mandatory Sinking Account Payments for that
19 maturity shall in the aggregate be reduced by the same amount as the amount of
20 Term Bonds so redeemed, and the amount of the reduction of each such Mandatory
21 Sinking Account Payment shall be determined by Request of the Government.

22 (C) Subject to the terms and conditions hereinbefore set forth in this
23 Section and in Section 4.01(B), Term Bonds maturing _____, 20__, shall be
24 redeemed (or paid at maturity, as the case may be) by application of Mandatory
25 Sinking Account Payments for such Term Bonds, in the amounts (after giving

1 effect to the credits provided for in this Section) and on _____ in the years
2 set forth below:

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

\$

20__ *

3 _____

4 *Maturity

5 Subject to the terms and conditions hereinbefore set forth in this
6 Section and in Section 4.01(B), Term Bonds maturing _____, 20__, shall be
7 redeemed (or paid at maturity, as the case may be) by application of Mandatory
8 Sinking Account Payments for such Term Bonds, in the amounts (after giving
9 effect to the credits provided for in this Section) and on _____ in the years
10 set forth below:

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

\$

20__ *

11 _____

12 *Maturity

1 Subject to the terms and conditions hereinbefore set forth in this
2 Section and in Section 4.01(B), Term Bonds maturing _____, 20__, shall be
3 redeemed (or paid at maturity, as the case may be) by application of Mandatory
4 Sinking Account Payments for such Term Bonds, in the amounts (after giving
5 effect to the credits provided for in this Section) and on _____ in the years
6 set forth below:

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

\$

20__ *

7 _____

8 *Maturity

9

10 (D) Upon the redemption of Term Bonds pursuant to Section
11 4.01(A), the principal amount of such Bonds shall be credited against remaining
12 Mandatory Sinking Account Payments as provided in Section 4.02, treating
13 Mandatory Sinking Account Payments as if they were maturities and given that

1 Mandatory Sinking Account Payments shall remain as integral multiples of \$5,000.
2 If, (1) during the twelve-month period immediately preceding a Mandatory Sinking
3 Account Payment date the Trustee purchases the applicable Term Bonds with
4 moneys in the Bond Fund, or (2) during said period and prior to giving said notice
5 of redemption the Government otherwise deposits the applicable Term Bonds with
6 the Trustee (together with a Request of the Government to apply such Bonds so
7 deposited to the Mandatory Sinking Account Payment due on said date), the
8 amount of Bonds so purchased or deposited or redeemed shall be credited at the
9 time of such purchase or deposit, to the extent of the full principal amount thereof,
10 to reduce such Mandatory Sinking Account Payment. All Bonds purchased or
11 deposited pursuant to this subsection shall be cancelled and destroyed.

12 Section 5.04. Rebate Fund.

13 (A) There shall be deposited in the Rebate Fund from lawfully
14 available moneys such amounts as are required to be deposited therein pursuant to
15 the Tax Certificate with respect to the Bonds. All money at any time deposited in
16 the Rebate Fund shall be held by the Trustee in trust, to the extent required to
17 satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to
18 the United States of America, and the United States of America is hereby granted a
19 first lien on such money until such payment. All amounts required to be deposited
20 into or on deposit in the Rebate Fund shall be governed exclusively by this Section
21 and by the Tax Certificate (which is incorporated herein by reference).

22 In the event that the amount in the Rebate Fund exceeds the Rebate
23 Requirement, upon the Request of the Government, the Trustee shall transfer the
24 excess from the Rebate Fund to the Bond Fund.

1 (B) Notwithstanding any provisions of this Section, if the
2 Government shall provide to the Trustee an opinion of Bond Counsel that any
3 specified action required under this Section is no longer required or that some
4 further or different action is required to maintain the exclusion from federal
5 income tax of interest on the Bonds, the Trustee and the Government may
6 conclusively rely on such opinion in complying with the requirements of this
7 Section, and, notwithstanding Article IX hereof, the covenants hereunder shall be
8 deemed to be modified to that extent.

9 Section 5.05. Deficiencies in Bond Fund; General Obligation Relating
10 to the Bonds. On or prior to the fifth Business Day preceding each Interest
11 Payment Date, the Trustee shall notify the Government of the amount, if any, by
12 which the aggregate amount of interest and principal to be paid on the Bonds on
13 such date exceeds the aggregate amount on deposit in the Bond Fund and available
14 to make such payments. On or prior to the third Business Day preceding such
15 Interest Payment Date, the Government shall deposit with the Trustee an amount
16 equal to the amount of such deficiency. Notwithstanding any other provision of
17 this Certificate, the obligation to make such deposits shall constitute the valid and
18 binding general obligation of the Government, and the Government pledges its full
19 faith and credit for the punctual payment thereof.

20 In the event that on the third Business Day preceding any Interest
21 Payment Date, the aggregate amount of interest and principal to be paid on the
22 Bonds on such date exceeds the aggregate amount on deposit in the Bond Fund and
23 available to make such payments, the Depositary upon the direction of the Trustee
24 shall transfer to the Bond Fund the amount of such deficiency by withdrawing said
25 amount from the Proceeds Fund, to the extent amounts are available in the
26 Proceeds Fund therefor.

1 Section 5.06. Investment of Moneys in Funds. All moneys in the funds
2 and accounts established pursuant to this Certificate shall be invested by the
3 applicable Fiduciary solely in Investment Securities to maximize investment
4 income, with proper regard for the preservation of principal, pursuant to a Request
5 of the Government as to such investment. In the absence of such Request of the
6 Government, the applicable Fiduciary shall invest in item (6) of the definition of
7 Investment Securities. All Investment Securities and any other investments
8 acquired with moneys held hereunder shall be acquired subject to the limitations
9 set forth in Section 6.06, to the limitations as to maturities hereinafter in this
10 Section set forth and to such additional limitations or requirements consistent with
11 the foregoing as may be established by Request of the Government. No
12 Investment Security which is subject to redemption at the option of the issuer may
13 be purchased at a premium above the amount of the premium payable upon any
14 such redemption.

15 Moneys in all funds and accounts established under this Certificate
16 shall be invested in securities paying interest and maturing not later than the dates
17 on which it is estimated that such moneys will be required by the applicable
18 Fiduciary.

19 All interest and other profit derived from the investment of amounts in
20 each fund shall be deposited at least monthly in such fund. Investments acquired
21 as an investment of moneys in any fund or account established under this
22 Certificate shall be credited to such fund or account. For the purpose of
23 determining the amount in any fund or account, the amount of any obligation
24 allocable to such fund or account shall be equal to the purchase price of such
25 obligation (not including accrued interest, if any, paid on the purchase of such
26 obligation) plus the amount of any discount below par accounting for any such

1 discount ratably each year over the term of such obligation (i.e., by dividing the
2 amount of such discount by the number of interest payments remaining to maturity
3 and by multiplying the amount so calculated by the number of interest payment
4 dates having passed since the date of purchase) (in this Section called “amortized
5 value”).

6 The applicable Fiduciary may commingle any of the funds or accounts
7 established by it pursuant to this Indenture (other than the Rebate Fund) into a
8 separate fund or funds for investment purposes only, provided that all funds or
9 accounts held by a Fiduciary hereunder shall be accounted for separately as
10 required by this Indenture. The applicable Fiduciary may sell at the best price
11 obtainable, or present for redemption, any investment securities so purchased
12 whenever it shall be necessary in order to provide moneys to meet any required
13 payment, transfer, withdrawal or disbursement from the fund to which such
14 investment security is credited, and no Fiduciary shall be liable or responsible for
15 any loss resulting from such investment.

16 ARTICLE VI

17 18 PARTICULAR COVENANTS

19 Section 6.01. Punctual Payment. The Government shall punctually pay
20 or cause to be paid the principal or Redemption Price and interest to become due in
21 respect of all the Bonds, in strict conformity with the terms of the Bonds and of
22 this Certificate.

23 Section 6.02. Extension of Payment of Principal and Interest on the
24 Bonds. The Government shall not directly or indirectly extend or assent to the
25 extension of the maturity of any of the Bonds or the time of payment of any of the

1 claims for interest by the purchase or funding of such Bonds or claims for interest
2 or by any other arrangement and in case the maturity of any of the Bonds or the
3 time of payment of any such claims for interest shall be extended, such Bonds, or
4 claims for interest shall not be entitled, in case of any default hereunder, to the
5 benefits of this Certificate, except subject to the prior payment in full of the
6 principal of all of the Bonds then Outstanding and of all claims for interest thereon
7 which shall not have been so extended. Nothing in this Section shall be deemed to
8 limit the right of the Government to issue bonds for the purpose of refunding any
9 Outstanding Bonds, and such issuance shall not be deemed to constitute an
10 extension of maturity of Bonds.

11 Section 6.03. Power to Issue Bonds. The Government represents and
12 warrants that it is duly authorized pursuant to law to issue the Bonds and to enter
13 into this Certificate in the manner and to the extent provided in this Certificate.
14 The Bonds and the provisions of this Certificate are and will be the valid and
15 binding general obligations of the Government in accordance with their terms, and
16 the Government and each Fiduciary shall at all times, to the extent permitted by
17 law, defend, preserve and protect all the rights of the Bondholders under this
18 Certificate against all claims and demands of all persons whomsoever.

19 Section 6.04. Accounting Records and Financial Statements. The
20 Government shall at all times keep, or cause to be kept, proper books of record and
21 account in which complete and accurate entries shall be made of all transactions
22 relating to the proceeds of Bonds and all funds and accounts established pursuant
23 to this Certificate. Such books of record and account shall be available for
24 inspection by each Fiduciary, as the case may be, and, with respect to such books
25 of record and account maintained by each Fiduciary, by the Government or any

1 Bondholder or agent or representative thereof duly authorized in writing, at
2 reasonable hours and under reasonable circumstances.

3 The Government shall file with the Trustee and the Depositary, and
4 furnish to each major national investment rating service which initially rated the
5 Bonds and to each Bondholder who shall have filed a name and address with the
6 Government or the Trustee for such purpose, within one year after the close of
7 each Fiscal Year so long as any of the Bonds are Outstanding (commencing with
8 the Fiscal Year ending September 30, 2007), complete audited financial statements
9 with respect to the General Fund and all funds established pursuant to this
10 Certificate, prepared in accordance with generally accepted accounting principles
11 for governmental entities, covering receipts, disbursements, allocation and
12 application of all revenues of the General Fund for such Fiscal Year, including a
13 statement of revenues, expenditures and fund balances (covering all of the funds
14 established pursuant to this Certificate), balance sheet and statement of changes in
15 financial position.

16 Section 6.05. Maintenance of Powers. The Government shall at all
17 times use its best efforts to maintain the powers, functions, duties and obligations
18 now reposed in it pursuant to law, and will not at any time voluntarily do, suffer or
19 permit any act or thing the effect of which would be to hinder, delay or imperil
20 either the payment of the indebtedness evidenced by any of the Bonds or the
21 observance of any of the covenants herein contained.

22 Section 6.06. Tax Covenants. (A) The Government shall not use or
23 permit the use of any proceeds of the Bonds or any other funds of the Government,
24 directly or indirectly, to acquire any securities or obligations, and shall not use or
25 permit the use of any amounts received by the Government in any manner, and

1 shall not take or permit to be taken any other action or actions, which would cause
2 any Bond to be an “arbitrage bond” within the meaning of Section 148 of the
3 Code, to be “federally insured or guaranteed” within the meaning of Section 149(b)
4 of the Code or to be a “private activity bond” within the meaning of Section 141(a)
5 of the Code.

6 (B) The Government shall at all times do and perform all acts and
7 things permitted by law and this Certificate which are necessary or desirable in
8 order to assure that interest paid on the Bonds (or on any of them) shall be exempt
9 from federal income taxes.

10 Section 6.07. Compliance with Certificate, Contracts, Laws and
11 Regulations. The Government shall faithfully observe and perform all the
12 covenants, conditions and requirements of this Certificate, shall not issue any
13 Bonds in any manner other than in accordance with this Certificate, and shall not
14 take any action that would permit any default to occur hereunder, or do or permit
15 to be done, anything that might in any way weaken, diminish or impair the security
16 intended to be given pursuant to this Certificate. Subject to the limitations and
17 consistent with the covenants, conditions and requirements contained in this
18 Certificate, the Government shall comply with the terms, covenants and provisions,
19 express or implied, of all contracts concerning or affecting the application of
20 proceeds of Bonds. The Government shall comply promptly, fully and faithfully
21 with and abide by any statute, law, ordinance, order, rule or regulation, judgment,
22 decree, direction or requirement now in force or hereafter enacted, adopted,
23 prescribed, imposed or entered by any competent governmental authority or
24 agency applicable to or affecting the Bonds.

1 Section 6.08. Nature of Obligation. The Bonds shall constitute the
2 valid and binding general obligations of the Government, and the Government
3 pledges its full faith and credit for the punctual payment of principal and interest of
4 the Bonds.

5 Section 6.09. Collection of General Fund Revenues. There shall be
6 collected annually in the same manner and at the same time as Government
7 revenues for other purposes are collected, such sum as is required to pay the
8 principal of, and Mandatory Sinking Account Payments and interest on, the Bonds.
9 All officers charged by law with any duty in the collection of Government
10 revenues shall do every lawful thing necessary to collect such sum.

11 Section 6.10. Waiver of Laws. The Government shall not at any time
12 insist upon or plead in any manner whatsoever, or claim or take the benefit or
13 advantage of, any stay or extension of law now or at any time hereafter in force
14 that may affect the covenants and agreements contained in this Certificate or in the
15 Bonds, and all benefit or advantage of any such law or laws is hereby expressly
16 waived by the Government to the extent permitted by law. The Government shall
17 not claim, and hereby waives any claim to, sovereign immunity from any suit or
18 other action that may be brought under this Certificate or upon the Bonds.

19 Section 6.11. Further Assurances. The Government will make, execute
20 and deliver any and all such further certificates, instruments and assurances as may
21 be reasonably necessary or proper to carry out the intention or to facilitate the
22 performance of this Certificate and for the better assuring and confirming unto the
23 Holders of the Bonds of the rights and benefits provided in this Certificate.

1 ARTICLE VII

2
3 EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

4 Section 7.01. Events of Default. The following events shall be Events
5 of Default:

6 (A) default by the Government in the due and punctual payment of
7 the principal or Redemption Price of any Bond when and as the same shall become
8 due and payable, whether at maturity as therein expressed, by proceedings for
9 redemption, by declaration or otherwise; default by the Government in the
10 redemption from any Mandatory Sinking Account Payment of any Term Bonds in
11 the amounts and at the times provided therefor; or default by the Government in
12 the due and punctual payment of any installment of interest on any Bond when and
13 as such interest installment shall become due and payable;

14 (B) default by the Government in the observance of any of the
15 covenants, agreements or conditions on its part in this Certificate or in the Bonds
16 contained, other than as described in clause (A), if such default shall have
17 continued for a period of sixty (60) days after written notice thereof, specifying
18 such default and requiring the same to be remedied, shall have been given to the
19 Government by the Trustee, or to the Government or the Trustee by the Holders of
20 not less than twenty-five percent (25%) in aggregate principal amount of the Bonds
21 at the time Outstanding; or

22 (C) the assumption, under the provisions of any law relating to
23 bankruptcy or insolvency or any similar law relating to creditor's rights, by any
24 court of competent jurisdiction, of custody or control of the Government or of the
25 whole or any substantial part of its property, if such custody or control is not

1 terminated or stayed within sixty (60) days from the date of assumption of such
2 custody or control.

3 Section 7.02. Acceleration of Maturities. If an Event of Default shall
4 occur, then, and in each and every such case during the continuance of such Event
5 of Default, the Trustee or the Holders of not less than a majority in aggregate
6 principal amount of the Bonds at the time Outstanding shall be entitled, upon
7 notice in writing to the Government to declare the principal of all of the Bonds
8 then Outstanding, and the interest accrued thereon, to be due and payable
9 immediately, and upon any such declaration the same shall become and shall be
10 immediately due and payable, anything in this Certificate or in the Bonds
11 contained to the contrary notwithstanding.

12 Any such declaration, however, is subject to the condition that if, at
13 any time after such declaration and before any judgment or decree for the payment
14 of the moneys due shall have been obtained or entered, the Government shall
15 deposit with the Trustee a sum sufficient to pay all the principal or Redemption
16 Price of and installments of interest on the Bonds payment of which is overdue,
17 with interest on such overdue principal at the rate borne by the respective Bonds,
18 and the reasonable charges and expenses of the Trustee and any and all other
19 Events of Default known to the Trustee (other than in the payment of principal of
20 and interest on the Bonds due and payable solely by reason of such declaration)
21 shall have been made good or cured to the satisfaction of the Trustee or provision
22 deemed by the Trustee to be adequate shall have been made therefor, then, and in
23 every such case, the Holders of not less than a majority in aggregate principal
24 amount of the Bonds then Outstanding, by written notice to the Government and to
25 the Trustee, or the Trustee, may, on behalf of the Holders of all of the Bonds,
26 rescind and annul such declaration and its consequences and waive such default;

1 but no such rescission and annulment shall extend to or shall affect any subsequent
2 default, or shall impair or exhaust any right or power consequent thereon.

3 Section 7.03. Application of Funds After Default. If an Event of
4 Default shall occur and be continuing, all moneys then held or thereafter received
5 by any Fiduciary under any of the provisions of this Certificate (subject to Section
6 11.10) shall be under the control of and applied by the Trustee as follows and in
7 the following order:

8 (A) To the payment of any expenses necessary in the opinion of the
9 Trustee to protect the interests of the Holders of the Bonds and payment of
10 reasonable charges and expenses of each Fiduciary (including but not limited to
11 reasonable fees and disbursements of their respective counsel) incurred in and
12 about the performance of their respective powers and duties under this Certificate;

13 (B) To the payment of the principal or Redemption Price of and
14 interest then due on the Bonds (upon presentation of the Bonds to be paid, and
15 stamping thereon of the payment if only partially paid, or surrender thereof if fully
16 paid) subject to the provisions of this Certificate (including Section 6.02), as
17 follows:

18 (1) Unless the principal of all of the Bonds shall have become or
19 have been declared due and payable,

20 First: To the payment to the persons entitled
21 thereto of all installments of interest then due in the order of the
22 maturity of such installments, and, if the amount available shall
23 not be sufficient to pay in full any installment or installments
24 maturing on the same date, then to the payment thereof ratably,

1 according to the amounts due thereon, to the persons entitled
2 thereto, without any discrimination or preference; and

3 Second: To the payment to the persons entitled
4 thereto of the unpaid principal or Redemption Price of any
5 Bonds which shall have become due, whether at maturity or by
6 call for redemption, in the order of their due dates, with interest
7 on the overdue principal at the rate borne by the respective
8 Bonds, and, if the amount available shall not be sufficient to
9 pay in full all the Bonds due on any date, together with such
10 interest, then to the payment thereof ratably, according to the
11 amounts of principal or Redemption Price due on such date to
12 the persons entitled thereto, without any discrimination or
13 preference.

14 (2) If the principal of all of the Bonds shall have become or
15 have been declared due and payable, to the payment of the principal and
16 interest then due and unpaid upon the Bonds, with interest on the overdue
17 principal at the rate borne by the respective Bonds, and, if the amount
18 available shall not be sufficient to pay in full the whole amount so due and
19 unpaid, then to the payment thereof ratably, without preference or priority of
20 principal over interest, or of interest over principal, or of any installment of
21 interest over any other installment of interest, or of any Bond over any other
22 Bond, according to the amounts due respectively for principal and interest,
23 to the persons entitled thereto without any discrimination or preference.

24 Section 7.04. Trustee to Represent Bondholders. The Trustee is hereby
25 irrevocably appointed (and the successive respective Holders of the Bonds, by

1 taking and holding the same, shall be conclusively deemed to have so appointed
2 the Trustee) as trustee and true and lawful attorney-in-fact of the Holders of the
3 Bonds for the purpose of exercising and prosecuting on their behalf such rights and
4 remedies as may be available to such Holders under the provisions of the Bonds
5 and this Certificate, as well as under the Act and applicable provisions of any other
6 law. Upon the occurrence and continuance of an Event of Default or other
7 occasion giving rise to a right in the Trustee to represent the Bondholders, the
8 Trustee in its discretion may, and upon being indemnified to its satisfaction
9 therefor, shall, at the direction of the Holders of not less than a majority in
10 aggregate principal amount of Bonds Outstanding, proceed to protect or enforce its
11 rights or the rights of such Holders by such appropriate suit, action, mandamus or
12 other proceedings as it shall deem most effectual to protect and enforce any such
13 right, at law or in equity, either for the specific performance of any covenant or
14 agreement contained herein, or in aid of the execution of any power herein granted,
15 or for the enforcement of any other appropriate legal or equitable right or remedy
16 vested in the Trustee or in such Holders under this Certificate, the Act or any other
17 law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter
18 of right, to the appointment of a receiver of the assets pledged under this
19 Certificate, pending such proceedings. All rights of action under this Certificate or
20 the Bonds or otherwise may be prosecuted and enforced by the Trustee without the
21 possession of any of the Bonds or the production thereof in any proceeding relating
22 thereto, and any such suit, action or proceeding instituted by the Trustee shall be
23 brought in the name of the Trustee for the benefit and protection of all the Holders
24 of such Bonds, subject to the provisions of this Certificate.

25 Section 7.05. Bondholders' Direction of Proceedings. Anything in this
26 Certificate to the contrary notwithstanding, the Holders of a majority in aggregate

1 principal amount of the Bonds then Outstanding shall have the right, by an
2 instrument or concurrent instruments in writing executed and delivered to the
3 Trustee, to direct the method of conducting all remedial proceedings taken by the
4 Trustee hereunder, provided that such direction shall not be otherwise than in
5 accordance with law and the provisions of this Certificate, and that the Trustee
6 shall have the right to decline to follow any such direction which in the opinion of
7 the Trustee would adversely affect Bondholders not parties to such direction.

8 Section 7.06. Limitation on Bondholders' Right to Sue. No Holder of
9 any Bond shall have the right to institute any suit, action or proceeding at law or in
10 equity, for the protection or enforcement of any right or remedy under this
11 Certificate, the Act or any other applicable law with respect to such Bond, unless
12 (A) such Holder shall have given to the Trustee written notice of the occurrence of
13 an Event of Default; (B) the Holders of not less than twenty-five percent (25%) in
14 aggregate principal amount of the Bonds then Outstanding shall have made written
15 request upon the Trustee to exercise the powers hereinbefore granted or to institute
16 such suit, action or proceeding in its own name; (C) such Holder or said Holders
17 shall have tendered to the Trustee reasonable indemnity against the costs, expenses
18 and liabilities to be incurred in compliance with such request; and (D) the Trustee
19 shall have refused or omitted to comply with such request for a period of sixty (60)
20 days after such written request shall have been received by, and said tender of
21 indemnity shall have been made to, the Trustee.

22 Such notification, request, tender of indemnity and refusal or omission
23 are hereby declared, in every case, to be conditions precedent to the exercise by
24 any Holder of Bonds of any remedy hereunder or under law; it being understood
25 and intended that no one or more Holders of Bonds shall have any right in any
26 manner whatever by his or their action to affect, disturb or prejudice the security of

1 this Certificate or the rights of any other Holders of Bonds, or to enforce any right
2 under this Certificate, the Act or other applicable law with respect to the Bonds,
3 except in the manner herein provided, and that all proceedings at law or in equity
4 to enforce any such right shall be instituted, had and maintained in the manner
5 herein provided and for the benefit and protection of all Holders of the Outstanding
6 Bonds, subject to the provisions of this Certificate (including Section 6.02).

7 Section 7.07. Obligation of Government. Nothing in Section 7.06 or in
8 any other provision of this Certificate, or in the Bonds, contained shall affect or
9 impair the obligation of the Government, which is absolute and unconditional, to
10 pay the principal or Redemption Price of and interest on the Bonds to the
11 respective Holders of the Bonds at their respective dates of maturity, or upon call
12 for redemption, as herein provided, or affect or impair the right of such Holders,
13 which is also absolute and unconditional, to enforce such payment by virtue of the
14 contract embodied in the Bonds.

15 Section 7.08. Termination of Proceedings. In case any proceedings
16 taken by the Trustee or any one or more Bondholders on account of any Event of
17 Default shall have been discontinued or abandoned for any reason or shall have
18 been determined adversely to the Trustee or the Bondholders, then in every such
19 case the Government, the Trustee and the Bondholders, subject to any
20 determination in such proceedings, shall be restored to their former positions and
21 rights hereunder, severally and respectively, and all rights, remedies, powers and
22 duties of the Government, the Trustee and the Bondholders shall continue as
23 though no such proceedings had been taken.

24 Section 7.09. Remedies Not Exclusive. No remedy herein conferred
25 upon or reserved to the Trustee or to the Holders of the Bonds is intended to be

exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.10. No Waiver of Default. No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power arising upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Certificate to the Trustee or to the Holders of the Bonds may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

THE FIDUCIARIES

Section 8.01. Appointment of Trustee and Depositary; Duties, Immunities and Liabilities of Trustee and Depositary. (A) Bank of Guam is hereby appointed as Trustee and as Depositary. The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Certificate for it to perform. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by this Certificate, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(B) The Depositary shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and

1 only such duties as are specifically set forth in this Certificate. The Depositary
2 shall, during the existence of any Event of Default (which has not been cured),
3 follow the directions of the Trustee with respect to any of the funds held by the
4 Depositary under this Certificate.

5 (C) The Government may remove the Trustee or the Depositary at
6 any time unless an Event of Default shall have occurred and then be continuing,
7 and the Government shall remove the Trustee or the Depositary if at any time
8 requested to do so by an instrument or concurrent instruments in writing signed by
9 the Holders of not less than a majority in aggregate principal amount of the Bonds
10 then Outstanding (or their attorneys duly authorized in writing) or if at any time the
11 Trustee or the Depositary shall cease to be eligible in accordance with subsection
12 (F) of this Section, or shall become incapable of acting, or shall be adjudged as
13 bankrupt or insolvent, or a receiver of the Trustee or the Depositary or their
14 respective property shall be appointed, or any public officer shall take control or
15 charge of the Trustee or the Depositary or their respective property or affairs for
16 the purpose of rehabilitation, conservation or liquidation; in each case by giving
17 written notice of such removal to the Trustee and the Depositary, and thereupon
18 shall appoint a successor Trustee or Depositary, as the case may be, by an
19 instrument in writing.

20 (D) The Trustee or the Depositary may at any time resign by giving
21 written notice of such resignation to the Government and the other Fiduciary.
22 Upon receiving such notice of resignation, the Government shall promptly appoint
23 a successor Trustee or Depositary, as the case may be, by an instrument in writing.

24 (E) Any such removal or resignation of the Trustee or Depositary
25 and appointment of a successor shall become effective upon acceptance of

1 appointment by the successor. Promptly upon such acceptance, the Government
2 shall give notice thereof to each Fiduciary and to the Bondholders by mail in the
3 manner provided by Section 4.03. If no successor shall have been appointed and
4 have accepted appointment within forty-five (45) days of giving notice of removal
5 or notice of resignation as aforesaid, the resigning Trustee or Depositary, as the
6 case may be, or any Bondholder (on behalf of such Bondholder and all other
7 Bondholders) may petition any court of competent jurisdiction for the appointment
8 of a successor, and such court may thereupon, after such notice (if any) as it may
9 deem proper, appoint such successor. Any successor appointed under this
10 Certificate, shall signify its acceptance of such appointment by executing and
11 delivering to the Government, to its predecessor and to each other Fiduciary a
12 written acceptance thereof, and thereupon such successor, without any further act,
13 deed or conveyance, shall become vested with all the moneys, estates, properties,
14 rights, powers, trusts, duties and obligations of such predecessor, with like effect as
15 if originally named herein; but, nevertheless at the Request of the Government or
16 the request of the successor, such predecessor shall execute and deliver any and all
17 instruments of conveyance or further assurance and do such other things as may
18 reasonably be required for more fully and certainly vesting in and confirming to
19 such successor all the right, title and interest of such predecessor in and to any
20 property held by it under this Certificate and shall pay over, transfer, assign and
21 deliver to the successor any money or other property subject to the trusts and
22 conditions herein set forth. Upon request of the successor, the Government shall
23 execute and deliver any and all instruments as may be reasonably required for
24 more fully and certainly vesting in and confirming to such successor all such
25 moneys, estates, properties, rights, powers, trusts, duties and obligations.

1 (F) (1) Any Trustee appointed under the provisions of this
2 Section in succession to the Trustee shall be a trust company or bank having the
3 powers of a trust company doing business and having a combined capital and
4 surplus of at least Fifty Million Dollars (\$50,000,000) and subject to supervision or
5 examination by federal, state, or Guam authority. If such bank or trust company
6 publishes a report of condition at least annually, pursuant to law or to the
7 requirements of any supervising or examining authority above referred to, then for
8 the purpose of this Section the combined capital and surplus of such bank or trust
9 company shall be deemed to be its combined capital and surplus as set forth in its
10 most recent report of condition so published. In case at any time the Trustee shall
11 cease to be eligible in accordance with the provisions of this subsection (F)(1), the
12 Trustee shall resign immediately in the manner and with the effect specified in this
13 Section.

14 (2) Any Depositary appointed under the provisions of this
15 Section in succession to the Depositary shall be a trust company or bank
16 having the powers of a trust company doing business and having a trust
17 office in Hagåtña, Guam, having a combined capital and surplus of at least
18 Ten Million Dollars (\$10,000,000), and subject to supervision or
19 examination by federal or Guam authority. If such bank or trust company
20 publishes a report of condition at least annually, pursuant to law or to the
21 requirements of any supervising or examination authority above referred to,
22 then for the purpose of this Section the combined capital and surplus of such
23 bank or trust company shall be deemed to be its combined capital and
24 surplus as set forth in its most recent report of conditions so published. In
25 case at any time the Depositary shall cease to be eligible in accordance with

1 the provisions of this subsection (F)(2), the Depositary shall resign
2 immediately in the manner and with the effect specified in this Section.

3 (G) Any company into which the Trustee or the Depositary may be
4 merged or converted or with which it may be consolidated or any company
5 resulting from any merger, conversion or consolidation to which it shall be a party
6 or any company to which the Trustee or the Depositary may sell or transfer all or
7 substantially all of its corporate trust business, provided such company shall be
8 eligible under subsection (F) of this Section, shall be the successor to such Trustee
9 or Depositary, as the case may be, without the execution or filing of any paper or
10 any further act, anything herein to the contrary notwithstanding. Any such
11 successor shall give notice of such merger, conversion or consolidation to each
12 other Fiduciary and to the Government.

13 Section 8.02. Compensation. Subject to the terms of any contract with
14 the Trustee or the Depositary, as the case may be, the Government shall pay to the
15 Trustee and the Depositary from time to time reasonable compensation for all
16 services rendered under this Certificate, and also all reasonable expenses, charges,
17 fees of counsel, accountants and consultants and other disbursements, including
18 those of their attorneys, agents and employees, incurred in good faith in and about
19 the performance of their powers and duties under this Certificate. The Government
20 further agrees, to the extent permitted by law, to indemnify and save the Trustee
21 and the Depositary harmless against any liabilities, costs, claims and expenses
22 which they may incur in the exercise and performance of their respective powers,
23 functions and duties under this Certificate, which are not due to their own
24 respective negligence or willful misconduct. Such indemnity shall survive the
25 discharge of this Certificate or resignation or removal of the Trustee or the
26 Depositary.

1 Section 8.03. Liability of Trustee and Depositary. The recitals of facts
2 herein and in the Bonds contained shall be taken as statements of the Government,
3 and neither the Trustee nor the Depositary assumes any responsibility for the
4 correctness of the same, or makes any representations as to the validity or
5 sufficiency of this Certificate or of the Bonds, or shall incur any responsibility in
6 respect thereof, other than in connection with the duties or obligations herein or in
7 the Bonds assigned to or imposed upon them, respectively. The Trustee shall,
8 however, be responsible for its representations contained in its certificate of
9 authentication and registration on the Bonds. Neither the Trustee nor the
10 Depositary shall be liable in connection with the performance of their respective
11 duties hereunder, except for their own respective negligence or willful misconduct.
12 The Trustee and the Depositary may become the owner of Bonds with the same
13 rights they would have if they were not Trustee or Depositary, as the case may be,
14 and, to the extent permitted by law, may act as depositary for and permit any of
15 their officers or directors to act as a member of, or in any other capacity with
16 respect to, any committee formed to protect the rights of Bondholders, whether or
17 not such committee shall represent the Holders of a majority in principal amount of
18 the Bonds then Outstanding. No Fiduciary shall be under any responsibility or
19 duty with respect to the application of any moneys paid to any other Fiduciary. No
20 Fiduciary shall be under any obligation or duty to perform any act which would
21 require it to expend or risk its own moneys or otherwise incur any liability or to
22 institute or defend any action or suit in respect of this Certificate or the Bonds,
23 unless it is in its judgment adequately indemnified. No Fiduciary shall be deemed
24 to have knowledge of an Event of Default hereunder unless it has received actual
25 knowledge thereof at its Principal Office, except, in the case of the Trustee, default
26 in the payment of any amounts due on the Bonds on the due date therefor.

1 Section 8.04. Right of Trustee and Depositary to Rely on Documents.

2 The Trustee and the Depositary shall be protected in acting upon any notice,
3 resolution, request, consent, order, certificate, report, opinion, bond or other paper
4 or document believed to be genuine and to have been signed or presented by the
5 proper party or parties. The Trustee and the Depositary may consult with counsel,
6 including nationally recognized bond counsel, who may be counsel of or to the
7 Government, with regard to legal questions, and the opinion of such counsel shall
8 be full and complete authorization and protection in respect of any action taken or
9 suffered by it hereunder in good faith and in accordance therewith.

10 Whenever in the administration of the trusts imposed upon it by this
11 Certificate the Trustee or the Depositary shall deem it necessary or desirable that a
12 matter be proved or established prior to taking or suffering any action hereunder,
13 such matter (unless other evidence in respect thereof be herein specifically
14 prescribed) may be deemed to be conclusively proved and established by a
15 Certificate of the Government, and such Certificate shall be full warrant to the
16 Trustee or the Depositary, as the case may be, for any action taken or suffered in
17 good faith under the provisions of this Certificate in reliance upon such Certificate,
18 but in its discretion the Trustee or the Depositary may, in lieu thereof, accept other
19 evidence of such matter or may require such additional evidence as to it may seem
20 reasonable.

21 Section 8.05. Preservation and Inspection of Documents. All

22 documents received by the Trustee or the Depositary under the provisions of this
23 Certificate shall be retained in its possession and shall be subject at all reasonable
24 times to the inspection of the Government and any Bondholder, and their agents
25 and representatives duly authorized in writing, at reasonable hours and under
26 reasonable conditions.

1 Section 8.06. Paying Agents. U.S. Bank National Association is
2 hereby appointed as Paying Agent and as registrar for the Bonds. The Government
3 may at any time or from time to time appoint one or more additional Paying
4 Agents, in addition to the Trustee, for the purpose of paying the principal or
5 Redemption Price of and the interest on Bonds. At least one such Paying Agent
6 (which may be the Trustee) shall have a principal corporate trust office in one of
7 the states of the United States. Each Paying Agent shall signify its acceptance of
8 the duties and obligations imposed upon it by this Certificate by executing and
9 delivering to the Government, the Trustee and the Depositary a written acceptance
10 thereof. The Trustee shall enter into such arrangements with any such Paying
11 Agent as shall be necessary and desirable to enable such Paying Agent to carry out
12 the duties of its office. The Government may remove any Paying Agent at any
13 time by giving written notice of such removal to such Paying Agent, the Trustee
14 and the Depositary. Any Paying Agent may at any time resign by giving notice of
15 such resignation to the Government, the Trustee and the Depositary and by giving
16 affected Bondholders notice of such resignation by mail in the manner provided in
17 Section 4.03. In the event of the resignation or removal of any Paying Agent, such
18 Paying Agent shall pay over, transfer, assign and deliver any moneys held by it to
19 its successor, or, if there be no successor then appointed, to the Trustee. The
20 Government may appoint one or more successor Paying Agents and shall give
21 prompt notice of the acceptance of appointment by any successor Paying Agent.
22 Any Paying Agent appointed under the provisions of this Section shall satisfy the
23 criteria for eligibility set forth in subsection (F)(1) of Section 8.01 with respect to
24 the Trustee. The indemnities, privileges and limitations of liability provided the
25 Trustee hereunder shall be afforded to the Paying Agent.

1 ARTICLE IX

2
3 MODIFICATION OR AMENDMENT OF THE CERTIFICATE

4 Section 9.01. Amendments Permitted. (A) This Certificate and the
5 rights and obligations of the Government and of the Holders of the Bonds and of
6 each Fiduciary may be modified or amended at any time by a Supplemental
7 Certificate which shall become effective when the written consent of the Holders
8 of sixty percent (60%) in aggregate principal amount of the Bonds then
9 Outstanding shall have been filed with the Trustee; provided that if such
10 modification or amendment will, by its terms, not take effect so long as any Bonds
11 of any particular maturity remain Outstanding, the consent of the Holders of Bonds
12 of such maturity shall not be required and such Bonds shall not be deemed to be
13 Outstanding for the purpose of any calculation of Outstanding Bonds under this
14 Section. No such modification or amendment shall (i) extend the fixed maturity of
15 any Bond, or reduce the amount of principal thereof, or extend the time of payment
16 or reduce the amount of any Mandatory Sinking Account Payment provided herein
17 for the payment of any Bond, or extend the time of payment of any interest on any
18 Bond, or reduce the rate of interest thereon, without the consent of the Holder of
19 each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent
20 of the Holders of which is required to effect any such modification or amendment,
21 or deprive the Holders of the Bonds of the lien created by this Certificate upon
22 such moneys and other assets (except as expressly provided in this Certificate),
23 without the consent of the Holders of all of the Bonds then Outstanding.

24 (B) This Certificate and the rights and obligations of the
25 Government and of the Holders of the Bonds may also be modified or amended at
26 any time by a Supplemental Certificate, which shall become effective upon

1 execution (or such later date as may be specified in such Supplemental Certificate),
2 without the consent of any Bondholders, but only to the extent permitted by law
3 and only for any one or more of the following purposes:

4 (1) to add to the covenants and agreements of the Government
5 in this Certificate contained other covenants and agreements thereafter to be
6 observed, to pledge or assign additional security for the Bonds, or to
7 surrender any right or power herein reserved to or conferred upon the
8 Government, provided, that no such covenant, agreement, pledge,
9 assignment or surrender shall materially adversely affect the interests of the
10 Holders of the Bonds;

11 (2) to make such provisions for the purpose of curing any
12 ambiguity, inconsistency or omission, or of curing or correcting any
13 defective provision, contained in this Certificate, or in regard to matters or
14 questions arising under this Certificate, as the Government may deem
15 necessary or desirable and not inconsistent with this Certificate, and which
16 shall not materially adversely affect the interests of the Holders of the
17 Bonds; and

18 (3) to modify, amend or supplement this Certificate in such
19 manner as to permit the qualification hereof under the Trust Indenture Act of
20 1939, as amended, or any similar federal statute hereafter in effect, and to
21 add such other terms, conditions and provisions as may be permitted by said
22 act or similar federal statute, and which shall not materially adversely affect
23 the interests of the Holders of the Bonds.

24 Section 9.02. Effect of Supplemental Certificate. From and after the
25 time any Supplemental Certificate becomes effective pursuant to this Article, this

1 Certificate shall be deemed to be modified and amended in accordance therewith,
2 and the respective rights, duties and obligations under this Certificate of the
3 Government, the Trustee, the Paying Agent, the Depositary and all Holders of
4 Bonds Outstanding shall thereafter be determined, exercised and enforced
5 hereunder subject in all respects to such modification and amendment, and all the
6 terms and conditions of any such Supplemental Certificate shall be deemed to be
7 part of the terms and conditions of this Certificate for any and all purposes.

8 Section 9.03. Endorsement of Bonds; Preparation of New Bonds.

9 Bonds delivered after any Supplemental Certificate becomes effective pursuant to
10 this Article may, and if the Paying Agent so determines shall, bear a notation by
11 endorsement or otherwise in form approved by the Government and the Paying
12 Agent as to any modification or amendment provided for in such Supplemental
13 Certificate, and, in that case, upon demand of the Holder of any Bond Outstanding
14 at such effective date and presentation of his Bond for the purpose at the office of
15 the Paying Agent or at such additional offices as the Paying Agent may select and
16 designate for that purpose, a suitable notation shall be made on such Bond, at the
17 expense of the Government. If the Government or the Paying Agent shall so
18 determine, new Bonds so modified as to conform, in the opinion of the
19 Government and the Paying Agent, to any modification or amendment contained in
20 such Supplemental Certificate, shall, at the expense of the Government, be
21 prepared and executed by the Government and authenticated by the Paying Agent,
22 and upon demand of the Holders of any Bonds then Outstanding shall be
23 exchanged at the principal corporate trust office of the Paying Agent without cost
24 to any Bondholder, for Bonds then Outstanding, upon surrender for cancellation of
25 such Bonds, in equal aggregate principal amounts of the same maturity and tenor.

1 Section 9.04. Amendment of Particular Bonds. The provisions of this
2 Article shall not prevent any Bondholder from accepting any amendment as to the
3 particular Bonds held by such Bondholder, provided that due notation thereof is
4 made on such Bonds.

5 ARTICLE X

7 DEFEASANCE

8 Section 10.01. Discharge of Certificate. If the Government shall pay
9 and discharge the entire indebtedness on all Bonds Outstanding in any one or more
10 of the following ways --

11 (A) by paying or causing to be paid the principal or Redemption Price
12 of and interest on Bonds Outstanding, as and when the same become due and
13 payable;

14 (B) by depositing with the Trustee or the Paying Agent, irrevocably, in
15 trust, at or before maturity, Federal Securities in the necessary amount (as provided
16 in Section 10.03) to pay or redeem Bonds Outstanding; or

17 (C) by delivering to the Paying Agent, for cancellation by it, Bonds
18 Outstanding;

19 and if the Government shall also pay or cause to be paid all other sums payable
20 hereunder by the Government, then and in that case, at the election of the
21 Government (evidenced by a Certificate of the Government, filed with the Trustee
22 and the Paying Agent, signifying the intention of the Government to discharge all
23 such indebtedness and this Certificate), and notwithstanding that any Bonds shall
24 not have been surrendered for payment, this Certificate and all covenants,

1 agreements and other obligations of the Government under this Certificate shall
2 cease, terminate, become void and be completely discharged and satisfied. In such
3 event, upon Request of the Government, each Fiduciary shall cooperate with an
4 accounting for such period or periods as shall be requested by the Government to
5 be prepared and filed with the Government and shall execute and deliver to the
6 Government all such instruments as may be necessary or desirable to evidence
7 such discharge and satisfaction, and the Trustee, the Depositary and any Paying
8 Agents shall pay over, transfer, assign or deliver to the Government all moneys or
9 securities or other property held by them pursuant to this Certificate which are not
10 required for the payment or redemption of Bonds not theretofore surrendered for
11 such payment or redemption. The discharge of the obligations of the Government
12 under this Certificate shall be without prejudice to the rights of the Trustee, the
13 Paying Agent and the Depositary to charge for and be reimbursed by the
14 Government for any reasonable and customary expenditures which may thereafter
15 be incurred in connection herewith.

16 Section 10.02. Discharge of Liability on Bonds. Upon the deposit with
17 the Trustee or the Paying Agent, in trust, at or before maturity, of money or
18 securities in the necessary amount (as provided in Section 10.03) to pay or redeem
19 any Outstanding Bond (whether upon or prior to its maturity or the redemption
20 date of such Bond), then all liability of the Government in respect of such Bond
21 shall cease, determine and be completely discharged, and the Holder thereof shall
22 thereafter be entitled only to payment out of such money or securities deposited
23 with the Trustee or the Paying Agent as aforesaid for their payment, subject,
24 however, to the provisions of Section 10.04.

25 The Government may at any time surrender to the Paying Agent for
26 cancellation by it any Bonds previously issued and delivered, which the

1 Government may have acquired in any manner whatsoever, and such Bonds, upon
2 such surrender and cancellation, shall be deemed to be paid and retired.

3 Section 10.03. Deposit of Money or Securities with Trustee or Paying
4 Agent. Whenever in this Certificate it is provided or permitted that there be
5 deposited with or held in trust by the Trustee or the Paying Agent money or
6 securities in the necessary amount to pay or redeem any Bonds, the money or
7 securities so to be deposited or held shall be:

8 (a) lawful money of the United States of America in
9 an amount equal to the principal amount of such Bonds and all unpaid
10 interest thereon to maturity, except that, in the case of Bonds which
11 are to be redeemed prior to maturity, the amount to be deposited or
12 held shall be the principal amount or Redemption Price of such Bonds
13 and all unpaid interest thereon to the date fixed for redemption; or

14 (b) noncallable Federal Securities the principal of and
15 interest on which when due will provide money sufficient, in the
16 opinion of an Independent certified public accountant delivered in
17 writing to the Government, the Trustee and the Paying Agent, to pay
18 the principal or Redemption Price of and all unpaid interest to
19 maturity, or to the date fixed for redemption, as the case may be, on
20 the Bonds to be paid or redeemed, as such principal or Redemption
21 Price and interest become due;

22 provided, in each case, that the Trustee or the Paying Agent, as applicable, shall
23 have been irrevocably instructed (by the terms of this Certificate and by Request of
24 the Government) to apply such money to the payment of such principal or
25 Redemption Price and interest with respect to such Bonds.

1 Section 10.04. Payment of Bonds after Discharge of Certificate.

2 Notwithstanding any provisions of this Certificate, any moneys held by the Trustee
3 or the Paying Agent in trust for the payment of the principal or Redemption Price
4 of, or interest on, any Bonds and remaining unclaimed for three years after the
5 principal of all of the Bonds has become due and payable (whether at maturity or
6 upon call for redemption or by acceleration as provided in this Certificate), if such
7 moneys were so held at such date, or six years after the date of deposit of such
8 moneys if deposited after said date when all of the Bonds became due and payable,
9 shall, upon Request of the Government, be repaid to the Government free from the
10 trusts created by this Certificate, and all liability of the Trustee, the Paying Agent
11 or the Depositary with respect to such moneys shall thereupon cease and the
12 Holders of such Bonds shall be entitled to look only to the Government for
13 payment of such Bonds; provided, however, that before the repayment of such
14 moneys to the Government as aforesaid, the Trustee or the Paying Agent, as
15 applicable, may (at the cost of the Government) first publish at least once in one or
16 more financial newspapers or journals circulated in Hagåtña, Guam, San Francisco,
17 California, and New York, New York, a notice, in such form as may be deemed
18 appropriate by such Fiduciary with respect to the Bonds so payable and not
19 presented and with respect to the provisions relating to the repayment to the
20 Government of the moneys held for the payment thereof.

21 ARTICLE XI

22
23 MISCELLANEOUS

24 Section 11.01. Successor Is Deemed Included in All References to

25 Predecessor. Whenever in this Certificate the Government, the Trustee, the Paying
26 Agent or the Depositary is named or referred to, such reference shall be deemed to

1 include the successors or assigns thereof, and all the covenants and agreements in
2 this Certificate contained by or on behalf of the Government, the Trustee, the
3 Paying Agent or the Depositary shall bind and inure to the benefit of the respective
4 successors and assigns thereof whether so expressed or not.

5 Section 11.02. Limitation of Rights to Parties and Bondholders.

6 Nothing in this Certificate or in the Bonds expressed or implied is intended or shall
7 be construed to give to any person other than the Government, the Trustee, the
8 Paying Agent, the Depositary and the Holders of the Bonds any legal or equitable
9 right, remedy or claim under or in respect of this Certificate or any covenant,
10 condition or provision therein or herein contained; and all such covenants,
11 conditions and provisions are and shall be held to be for the sole and exclusive
12 benefit of the Government, the Trustee, the Paying Agent, the Depositary and the
13 Holders of the Bonds.

14 Section 11.03. Waiver of Notice. Whenever in this Certificate the
15 giving of notice by mail or otherwise is required, the giving of such notice may be
16 waived in writing by the person entitled to receive such notice and in any such case
17 the giving or receipt of such notice shall not be a condition precedent to the
18 validity of any action taken in reliance upon such waiver.

19 Section 11.04. Destruction of Bonds. Whenever in this Certificate
20 provision is made for the cancellation by the Paying Agent and the delivery to the
21 Government of any Bonds, the Paying Agent may, upon Request of the
22 Government, in lieu of such cancellation and delivery, destroy such Bonds (in the
23 presence of an officer of the Government, if the Government shall so require), and
24 deliver a certificate of such destruction to the Government.

1 Section 11.05. Severability of Invalid Provisions. If any one or more of
2 the provisions contained in this Certificate or in the Bonds shall for any reason be
3 held to be invalid, illegal or unenforceable in any respect, then such provision or
4 provisions shall be deemed severable from the remaining provisions contained in
5 this Certificate and such invalidity, illegality or unenforceability shall not affect
6 any other provision of this Certificate, and this Certificate shall be construed as if
7 such invalid or illegal or unenforceable provision had never been contained herein.
8 The Government hereby declares that it would have entered into this Certificate
9 and each and every other Section, paragraph, sentence, clause or phrase hereof and
10 authorized the issuance of the Bonds pursuant thereto irrespective of the fact that
11 any one or more Sections, paragraphs, sentences, clauses or phrases of this
12 Certificate may be held illegal, invalid or unenforceable.

13 Section 11.06. Notice to Government, Trustee, Paying Agent and
14 Depository. Any notice to or demand upon the Trustee may be served or
15 presented, and such demand may be made, at the Principal Office of the Trustee,
16 which at the date of adoption of this Certificate is: Bank of Guam, 111 Chalan
17 Santo Papa, Suite 601, Hagåtña, Guam 96910, Attention: Trust Department, or at
18 such other address as may have been provided in writing by the Trustee to the
19 Government, the Paying Agent and the Depository.

20 Any notice to or demand upon the Depository may be served or
21 presented, and such demand may be made, at the Principal Office of the
22 Depository, which at the date of adoption of this Certificate is: Bank of Guam, 111
23 Chalan Santo Papa, Suite 601, Hagåtña, Guam 96910, Attention: Trust
24 Department, or at such other address as may have been provided in writing by the
25 Depository to the Trustee, the Paying Agent and the Government.

1 Any notice to or demand upon the Paying Agent may be served or
2 presented, and such demand may be made, at the Principal Office of the Paying
3 Agent, which at the date of adoption of this Certificate is: U.S. Bank National
4 Association, 633 West Fifth Street, 24th Floor, Los Angeles, CA 90071,
5 Attention: Corporate Trust Services, Reference: Government of Guam G.O.
6 Bonds, or at such other address as may have been provided in writing by the
7 Paying Agent to the Trustee, the Depositary and Government.

8 Any notice to or demand upon the Government shall be deemed to
9 have been sufficiently given or served for all purposes by being deposited, postage
10 prepaid, in a post office letter box, addressed to the Department of Administration,
11 Hagåtña, Guam 96910, Attention: Director of Administration, or to the
12 Government at such other address as may have been filed in writing by the
13 Government with the Trustee, the Paying Agent and the Depositary.

14 Section 11.07. Evidence of Rights of Bondholders. Any request,
15 consent or other instrument required or permitted by this Certificate to be signed
16 and executed by Bondholders may be in any number of concurrent instruments of
17 substantially similar tenor and shall be signed or executed by such Bondholders in
18 person or by an agent or agents duly appointed in writing. Proof of the execution
19 of any such request, consent or other instrument or of a writing appointing any
20 such agent shall be sufficient for any purpose of this Certificate and shall be
21 conclusive in favor of the Trustee, the Paying Agent, the Depositary and the
22 Government if made in the manner provided in this Section.

23 The fact and date of the execution by any person of any such request,
24 consent or other instrument or writing may be proved by the certificate of any
25 notary public or other officer of any jurisdiction, authorized by the laws thereof to

1 take acknowledgments of deeds, certifying that the person signing such request,
2 consent or other instrument acknowledged to him the execution thereof, or by an
3 affidavit of a witness of such execution duly sworn to before such notary public or
4 other officer.

5 The ownership of Bonds shall be proved by the Bond registration
6 books held by the Paying Agent.

7 Any request, consent, or other instrument or writing of the Holder of
8 any Bond shall bind every future Holder of the same Bond and the Holder of every
9 Bond issued in exchange therefor or in lieu thereof, in respect of anything done or
10 suffered to be done by the Trustee, the Paying Agent, the Depositary or the
11 Government in accordance therewith or reliance thereon.

12 Section 11.08. Disqualified Bonds. In determining whether the Holders
13 of the requisite aggregate principal amount of Bonds have concurred in any
14 demand, request, direction, consent or waiver under this Certificate, Bonds which
15 are owned or held by or for the account of the Government, or by any other obligor
16 on the Bonds, or by any person directly or indirectly controlling or controlled by,
17 or under direct or indirect common control with, the Government or any other
18 obligor on the Bonds, shall be disregarded and deemed not be to Outstanding for
19 the purpose of any such determination. Bonds so owned which have been pledged
20 in good faith may be regarded as Outstanding for the purposes of this Section if the
21 pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote
22 such Bonds and that the pledgee is not a person directly or indirectly controlling or
23 controlled by, or under direct or indirect common control with, the Government or
24 any other obligor on the Bonds. In case of a dispute as to such right, any decision

1 by the Trustee taken upon the advice of counsel shall be full protection to the
2 Trustee.

3 Section 11.09. Money Held for Particular Bonds. The money held by
4 each Fiduciary for the payment of the interest, principal or Redemption Price due
5 on any date with respect to particular Bonds (or portions of Bonds in the case of
6 registered Bonds redeemed in part only) shall, on and after such date and pending
7 such payment, be put aside on its books and held in trust by it for the Holders of
8 the Bonds entitled thereto, subject, however, to the provisions of Section 10.04.

9 Section 11.10. Funds and Accounts. Any fund required by this
10 Certificate to be established and maintained by the Trustee, the Paying Agent or
11 the Depositary may be established and maintained in the accounting records of the
12 Trustee, the Paying Agent or the Depositary, either as a fund or an account, and
13 may, for the purposes of such records, any audits thereof and any reports or
14 statements with respect thereto, be treated either as a fund or as an account; but all
15 such records with respect to all such funds shall at all times be maintained in
16 accordance with industry practice, to the extent practicable, and with due regard
17 for the requirements of Section 6.06 as established by Request of the Government
18 and for the protection of the security of the Bonds and the rights of every holder
19 thereof. If necessary to effectuate the purposes of this Certificate or any Request,
20 Requisition or Order of the Government pursuant hereto, the Trustee, the
21 Depositary or the Paying Agent may establish a temporary or holding fund or
22 account for such purposes.

23 Section 11.11. Article and Section Headings and References. The
24 headings or titles of the several Articles and Sections hereof, and any table of

1 contents appended to copies hereof, shall be solely for convenience of reference
2 and shall not affect the meaning, construction or effect of this Certificate.

3 All references herein to "Articles," "Sections" and other subdivisions
4 are to the corresponding Articles, Sections or subdivisions of this Certificate; the
5 words "herein," "hereof," "hereby," "hereunder" and other words of similar import
6 refer to this Certificate as a whole and not to any particular Article, Section or
7 subdivision hereof; and words of the masculine gender shall mean and include
8 words of the feminine and neuter genders.

9 Section 11.12. Waiver of Personal Liability. No legislator, officer,
10 agent or employee of the Government shall be individually or personally liable for
11 the payment of the principal or Redemption Price of or interest on the Bonds; but
12 nothing herein contained shall relieve any such legislator, officer, agent or
13 employee from the performance of any official duty provided by law.

14 Section 11.13. Saturdays, Sundays and Legal Holidays. If any party
15 hereto is required to perform, pursuant to a provision of this Certificate, any act on
16 a date which falls on a Saturday, Sunday or legal holiday, the party required to
17 perform such act shall be deemed to have performed it in a timely manner, and in
18 conformance with such provision, if it shall perform such act on the next
19 succeeding Business Day.

20 Section 11.14. Execution in Several Counterparts. This Certificate may
21 be executed in any number of counterparts and each of such counterparts shall for
22 all purposes be deemed to be an original; and all such counterparts, or as many of
23 them as the Government, the Trustee, the Paying Agent and the Depositary shall
24 preserve undestroyed, shall together constitute but one and the same instrument.

1 Section 11.15. Governing Law. The rights and duties of the parties to
2 this Certificate shall be governed by the laws of Guam, provided, however, that the
3 administration of the trusts imposed upon the Fiduciaries by the Certificate and the
4 rights and duties of the Fiduciaries hereunder shall be governed by, and construed
5 in accordance with, the laws of the respective jurisdiction in which each such
6 Fiduciary has its respective principal corporate trust office.

IN WITNESS WHEREOF, the Governor of Guam has executed and delivered this Certificate on behalf of the GOVERNMENT OF GUAM, in its name and under its seal.

GOVERNMENT OF GUAM

[SEAL]

By _____

Governor of Guam

Approved as to form:

By _____

Attorney General

1 The undersigned U.S. Bank National Association, hereby accepts and
2 agrees to perform the duties and obligations of Paying Agent and Registrar under
3 this Certificate.

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U.S. BANK NATIONAL
ASSOCIATION, as Paying Agent and
Registrar

By _____

Authorized Officer

1 The undersigned Bank of Guam hereby accepts and agrees to perform
2 the duties and obligations of Trustee and Depository under this Certificate.

3
4 BANK OF GUAM, as Trustee and
5 Depository
6
7
8

9 By _____

10 _____
11 Authorized Officer
12
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19

1 EXHIBIT A

2 [FORM OF BOND]

3 No. ___ - _____

\$

4 GOVERNMENT OF GUAM
5 GENERAL OBLIGATION BOND,
6 2008 Series A

7 INTEREST RATE MATURITY DATE ORIGINAL ISSUE DATE CUSIP

8 _____, 20__ _____, 200__

9 Registered Holder:

10 Principal Sum:

Dollars

11 The GOVERNMENT OF GUAM (herein called the "Government"),
12 duly organized and existing under and by virtue of the laws of the United States of
13 America, for value received, hereby promises to pay to the registered holder
14 identified above or registered assigns, on the maturity date specified above (subject
15 to any right of prior redemption hereinafter mentioned), the principal sum specified
16 above in lawful money of the United States of America; and to pay interest
17 thereon, in like lawful money, from the interest payment date next preceding the
18 date of registration of this Bond (unless this Bond is registered as of a day during
19 the period from the second day of the month next preceding any interest payment
20 date to such interest payment date, inclusive, in which event it shall bear interest
21 from such interest payment date, or unless this Bond is registered on or before ____
22 __, 2008, in which event it shall bear interest from _____, 2008) until
23 payment of such principal sum shall be discharged as provided in the Certificate

1 hereinafter mentioned, at the interest rate specified above per annum, payable
2 semiannually on ____ and _____ in each year, commencing ____, 2009.
3 The principal (or redemption price) hereof is payable upon surrender hereof at the
4 corporate trust office U.S. Bank National Association (herein called the "Paying
5 Agent") in Los Angeles, California, and the interest hereon is payable by check or
6 draft mailed by first class mail to the person in whose name this Bond or any
7 predecessor Bond is registered at the close of business on the fifteenth day of the
8 month immediately preceding an interest payment date, at such person's address as
9 it appears on the Bond registration books of the Paying Agent. Upon the written
10 request of any registered owner of \$1,000,000 or more in aggregate principal
11 amount of Bonds, payment of the principal or redemption price of and interest on
12 such Bonds will be made by wire transfer as provided in the Certificate; provided
13 that any such principal or redemption payment shall nevertheless be subject to the
14 prior surrender of the Bonds with respect to which such payment is made.

15 The Bonds are the general obligations of the Government and are
16 secured by the full faith and credit of the Government.

17 This Bond is one of a duly authorized issue of bonds of the
18 Government designated as the "Government of Guam General Obligation Bonds,
19 2008 Series A" (herein called the "Bonds"), in the aggregate principal amount of
20 \$_____, which issue of Bonds consists of bonds of varying maturities,
21 interest rates and redemption and other provisions, all issued under the provisions
22 Section 1512.1 of Title 5, Guam Code Annotated and pursuant to that certain
23 Certificate of the Governor of Guam Determining, Specifying and Authorizing
24 Certain Matters in Connection with the Issuance of Government of Guam General
25 Obligation Bonds, 2008 Series A, dated as of _____, 200__ (herein called the
26 "Certificate"). The Bonds are issued for the purpose of providing moneys for the

1 implementation of certain projects. Reference is hereby made to the Certificate (a
2 copy of which is on file at the principal corporate trust office of Bank of Guam
3 (herein called the "Trustee") in Hagåtña, Guam), and all certificates supplemental
4 thereto for a description of the rights thereunder of the registered owners of the
5 Bonds, of the nature and extent of the security and provisions for payment of the
6 Bonds, of the rights, duties and immunities of the Trustee, the Paying Agent and
7 the Depositary and of the rights and obligations of the Government thereunder, to
8 all the provisions of which Certificate the registered owner of this Bond, by
9 acceptance hereof, assents and agrees.

10 The Bonds maturing on or after _____, 20__ are subject to
11 redemption prior to their respective stated maturities, at the option of the
12 Government, from any source of available funds, on any date on or after _____
13 __, 20__, as a whole, or in part, by lot, at a Redemption Price equal to the principal
14 amount thereof to be redeemed plus interest accrued thereon to the date fixed for
15 redemption.

16 The Bonds maturing on _____, 20__, are also subject to
17 redemption prior to their stated maturity, in part in lots of \$5,000 principal, from
18 Mandatory Sinking Account Payments established for such maturity as provided in
19 the Certificate on any _____ on or after _____, 20__, at the principal
20 amount thereof and interest accrued thereon to the date fixed for redemption,
21 without premium.

22 The Bonds maturing on _____, 20__, are also subject to
23 redemption prior to their stated maturity, in part in lots of \$5,000 principal, from
24 Mandatory Sinking Account Payments established for such maturity as provided in
25 the Certificate on any _____ on or after _____, 20__, at the principal

1 amount thereof and interest accrued thereon to the date fixed for redemption,
2 without premium.

3 The Bonds maturing on _____, 20__, are also subject to
4 redemption prior to their stated maturity, in part in lots of \$5,000 principal, from
5 Mandatory Sinking Account Payments established for such maturity as provided in
6 the Certificate on any _____ on or after _____, 20__, at the principal
7 amount thereof and interest accrued thereon to the date fixed for redemption,
8 without premium.

9 Notice of any redemption, identifying the Bonds or portions thereof to
10 be redeemed, shall be given by the Paying Agent not less than 30 nor more than 60
11 days before the date fixed for redemption by first class mail to each of the
12 registered owners of Bonds designated for redemption at their addresses appearing
13 on the Bond registration books of the Paying Agent on the date the Bonds to be
14 redeemed are selected. Receipt of such notice by such registered owners shall not
15 be a condition precedent to such redemption.

16 If this Bond is called for redemption and payment is duly provided
17 herefor as specified in the Certificate, interest shall cease to accrue hereon from
18 and after the date fixed for redemption.

19 If an Event of Default (as that term is defined in the Certificate) shall
20 occur, the principal of all Bonds (and the interest accrued thereon) may be declared
21 due and payable upon the conditions, in the manner and with the effect provided in
22 the Certificate. The Certificate provides that in certain events such a declaration
23 and its consequences may be rescinded by the Trustee or by the Holders of not less
24 than a majority in aggregate principal amount of the Bonds then outstanding.

1 The Bonds are issuable only in fully registered form in denominations
2 of \$5,000 or any integral multiple thereof. Subject to the limitations and upon
3 payment of the charges, if any, provided in the Certificate, this Bond may be
4 exchanged, at said office of the Paying Agent, for a new fully registered Bond or
5 Bonds, of the same maturity and tenor and of any authorized denomination or
6 denominations and for the aggregate principal amount of this Bond then remaining
7 outstanding.

8 This Bond is transferable by the registered owner hereof, in person or
9 by its attorney duly authorized in writing, at said office of the Paying Agent, but
10 only in the manner, subject to the limitations and upon payment of the charges, if
11 any, provided in the Certificate, and upon surrender and cancellation of this Bond.
12 Upon such transfer a new registered Bond or Bonds, of the same maturity and
13 tenor and of any authorized denomination or denominations and for the same
14 aggregate principal amount of this Bond then remaining outstanding, will be issued
15 to the transferee in exchange herefor. The Paying Agent shall not be required to
16 register the transfer of this Bond during the five days next preceding any date
17 established by the Trustee for the selection of Bonds for redemption or at any time
18 after selection of this Bond for redemption.

19 The Government, the Trustee, the Depositary and the Paying Agent
20 may treat the registered owner hereof as the absolute owner hereof for all purposes,
21 and neither the Government, the Trustee, the Paying Agent nor the Depositary
22 shall be affected by any notice to the contrary.

23 The Certificate and the rights and obligations of the Government, the
24 registered owners of the Bonds, the Paying Agent and the Trustee may be modified
25 or amended at any time in the manner, to the extent, and upon the terms provided

1 in the Certificate, provided that no such modification or amendment shall
2 (i) extend the fixed maturity of this Bond, or reduce the amount of principal hereof,
3 or extend the time of payment or reduce the amount of any Mandatory Sinking
4 Account Payment provided in the Certificate for the payment of this Bond, or
5 extend the time of payment of any interest on this Bond or reduce the rate of
6 interest hereon, without the consent of the registered owner hereof, or (ii) reduce
7 the percentage of the principal amount of Bonds the consent of the registered
8 owners of which is required to effect any such modification or amendment, without
9 the consent of the registered owners of all Bonds then outstanding, all as more
10 fully set forth in the Certificate.

11 This Bond shall not be entitled to any benefit under the Certificate, or
12 become valid or obligatory for any purpose, until the certificate of authentication
13 and registration hereon endorsed shall have been dated and signed by the Paying
14 Agent.

15 It is hereby certified and recited that any and all conditions, things and
16 acts required to exist, to have happened and to have been performed precedent to
17 and in the issuance of this Bond do exist, have happened and have been performed
18 in due time, form and manner as required by the laws of the United States of
19 America and the Government of Guam, and that the amount of this Bond, together
20 with all other indebtedness of the Government, does not exceed any limit
21 prescribed by such laws, and is not in excess of the amount of Bonds permitted to
22 be issued under the Certificate.

IN WITNESS WHEREOF, THE GOVERNMENT OF GUAM has caused this Bond to be executed in its name and on its behalf by the facsimile signatures of the Governor of Guam, the Lieutenant Governor of Guam and the Director of Administration of Guam, and its seal to be reproduced hereon by facsimile, all as of _____, 200_.

GOVERNMENT OF GUAM

By _____

Governor

(SEAL)

By _____

Lieutenant Governor

By _____

Director of Administration

1 [FORM OF] CERTIFICATE OF AUTHENTICATION AND REGISTRATION

2
3 This is one the Bonds described in the within-mentioned Certificate
4 which has been authenticated and registered on _____, 200_.

5 U.S. BANK NATIONAL
6 ASSOCIATION, as Paying Agent
7

8
9 By _____
10 Authorized Officer
11

1 [FORM OF]

2 ASSIGNMENT

3 The following abbreviations, when used in the inscription on the face
4 of the within Bond and in the assignment below, shall be construed as though they
5 were out in full according to applicable laws or regulations.

6 TEN COM - as tenants in common UNIF GIFT MIN ACT - Custodian
7 TEN ENT - as tenants by the entireties (Cust) (Minor)
8 JT TEN - as joint tenants with under Uniform Gifts to Minors Act
9 right of survivorship and

10
11 not as tenants in common (State)

12 Additional abbreviations may also be
13 used though not in the above list.

14 For value received the undersigned do(es) hereby sell, assign and
15 transfer unto _____ the within-mentioned registered Bond
16 and hereby irrevocably constitute(s) and appoint(s) _____
17 attorney, to transfer the same on the books of the Trustee with full power of
18 substitution in the premises.

19 Dated: _____

20
21 _____

1 NOTICE: The signature on this
2 Assignment must correspond with the
3 name as it appears on the face of the
4 within Bond in every particular,
5 without alteration or enlargement or
6 any change whatsoever.

7
8 Signature Guaranteed: Social Security Number, Taxpayer Identification Number or
9 other Identifying Number of Assignee:

10 _____

11 Notice: Signature must be guaranteed by a member firm of the New York Stock
12 Exchange or a commercial bank or trust company.

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EXHIBIT B
CAPITAL EXPENSE ITEMS AND CAPITAL IMPROVEMENT
PROJECTS OF
THE GUAM PUBLIC SCHOOL SYSTEM

- 1 An extra section break has been inserted above this paragraph. Do not delete this
- 2 section break if you plan to add text after the Table of Contents/Authorities.
- 3 Deleting this break will cause Table of Contents/Authorities headers and footers to
- 4 appear on any pages following the Table of Contents/Authorities.

ATTACHMENT A

Pay Grade	Salary	Specialty pay	Comparable Position	Comparable Position		40% Increase		35% Increase	
				Acquisition	No. of Pos	Adjustment	No. of Pos	Adjustment	No. of Pos
0-1	\$3,811.00		Supervisory Supervisor	17,087.00	1	13,574.40	1	11,833.85	1
			Budget Analyst II						
			Performer Office						
L-1	26,520.00		Administrative Assistant I	15,246.00	1	10,608.00	1	9,282.00	1
			Personal Analyst I						
			Buyer						
				2	1	22,333.00	2	21,115.85	2

Dept. of Revenue and Taxation Technical Research and Appeals Service	Pay Grade	Salary	Internal Revenue Service			Comparable Payroll			40% Increase		55% Increase	
			Comparable Payroll	Salary	Adjusted	No. of Pos.	%	Adjusted	No. of Pos.	Total	Adjusted	No. of Pos.
Technical Research & Appeals Admin	P	\$6,800.00	GS15	190,256.00	67,976.00	1	61,976.00	184%	14,740.00	1	12,897.50	1
Research & Appeals Officer	N	\$1,084.00	GS14	88,115.00	54,051.00	2	146,102.00	107%	12,426.50	2	21,144.00	2
						3	424,978.00		38,592.50	3	34,842.50	3

Dept. of Revenue and Taxation Tax Enforcement Division		Salary	Internal Revenue Service Comparable Position	Pay Grade	Salary	Adjustment	No. of Pos.	Total	%	Adjustment	No. of Pos.	Total	40% Increase No. of Pos.	Adjustment	35% Increase No. of Pos.	Total							
Deputy Tax Commissioner	S	48,850.00	Director, Collection Area	PL-00	114,485.00	65,748.00	1	55,718.00	135%	19,472.00	1	17,034.00	1	12,891.50	1	12,891.50							
Tax Enforcement Administrator	P	36,000.00	Program Manager Field Compliance Territory Manager	PL-01	91,781.00	54,901.00	1	54,931.00	149%	14,740.00	1	14,740.00	1	11,533.85	1	11,533.85							
Criminal Investigation Supervisor	O	33,811.00	Supervisory Special Agent	GS14	81,000.00	47,262.00	3	47,282.00	140%	13,324.40	3	37,278.80	3	10,872.40	3	32,817.20							
Tax Investigator I	N	31,064.00	Special Agent	GS13	60,625.00	37,581.00	3	115,833.00	121%	12,425.60	3	10,872.40	3	10,872.40	3	32,817.20							
Tax Investigator II	M	28,678.00	Special Agent	GS12	57,705.00	28,091.00	2	58,082.00	101%	11,471.20	2	22,942.00	2	10,037.30	2	20,974.60							
Assistant Tax Investigator	K	24,658.00	Tax Fraud Investigator Assistant	GS7	32,534.00	7,878.00	1	7,878.00	325%	8,862.40	1	9,162.40	1	8,862.40	1	8,862.40							
Examination Supervisor	O	33,911.00	Supervisory Revenue Agent	PL-05	77,670.00	43,959.00	1	43,859.00	130%	13,524.40	1	13,524.40	1	11,933.85	1	11,933.85							
Revenue Agent IV	N	31,064.00	Revenue Agent	GS13	64,623.00	37,581.00	3	112,883.00	121%	12,425.60	3	10,872.40	3	10,872.40	3	32,817.20							
Revenue Agent III	M	28,678.00	Revenue Agent	GS12	57,705.00	28,091.00	2	58,082.00	101%	11,471.20	2	22,942.00	2	20,974.60	2	20,974.60							
Revenue Agent II	L	25,520.00	Revenue Agent	GS11	48,144.00	21,578.00	3	64,884.00	92%	10,650.00	3	27,648.00	3	27,648.00	3	27,648.00							
Revenue Agent I	K	24,658.00	Revenue Agent	GS9	38,786.00	15,130.00	6	60,834.00	61%	9,852.40	6	5,177.80	6	5,177.80	6	5,177.80							
Tax Auditor II	J	22,942.00	Auditor	GS7	32,534.00	8,692.00	4	34,358.00	42%	9,178.80	4	8,029.70	4	8,029.70	4	32,118.80							
Collection Supervisor	M	28,678.00	Supervisory Revenue Officer	PL-05	77,670.00	48,952.00	1	48,992.00	171%	11,471.20	1	10,037.30	1	10,037.30	1	10,037.30							
Revenue Officer III	K	24,658.00	Revenue Officer	GS12	57,705.00	33,053.00	8	264,424.00	134%	8,602.40	8	78,899.20	8	69,636.80	8	69,636.80							
Revenue Officer II	J	22,942.00	Revenue Officer	GS9	38,786.00	15,853.00	7	117,971.00	73%	9,178.80	7	64,237.60	7	56,207.30	7	56,207.30							
Revenue Officer I	I	21,305.00	Revenue Officer	GS7	32,534.00	11,145.00	9	100,308.00	52%	8,555.60	9	77,008.40	9	77,008.40	9	67,375.30							
																53	1,217,895.00	53	317,116.10	53	1	482,916.15	53

Department of Revenue and Taxation
Proposed Pay Adjustment FY09

ATTACHMENT A

Dept. of Revenue and Taxation	Pay Grade	Salary	El Dorado County	Comparable Position	Adjustment	No. of Pos	%	Total	40% Increase	40% Increase	35% Increase
Real Property Tax Division	O	31,811.00	Asst. Dir. of Tax	Asst. Dir. of Tax	40,850.20	1	147%	40,850.20	13,039.20	1	11,833.85
Real Property Tax Division	K	24,556.00	Asst. Dir. of Tax	Asst. Dir. of Tax	31,400.00	1	127%	31,400.00	9,844.00	1	8,629.60
Appraised Branch Supervisor	I	21,326.00	Asst. Dir. of Tax	Asst. Dir. of Tax	27,478.20	3	105%	87,434.60	25,866.80	3	22,458.45
Property Tax Appeals I	G	18,721.00	Asst. Dir. of Tax	Asst. Dir. of Tax	20,755.40	3	111%	62,266.20	7,489.20	3	6,553.05
Property Tax Appeals I	K	24,556.00	Asst. Dir. of Tax	Asst. Dir. of Tax	27,799.20	1	113%	27,799.20	9,862.40	1	8,629.60
Property Tax Appeals I	F	17,635.00	Asst. Dir. of Tax	Asst. Dir. of Tax	13,253.00	3	74%	39,759.00	7,054.00	3	6,172.25
Property Tax Appeals I	E	16,655.00	Asst. Dir. of Tax	Asst. Dir. of Tax	13,253.00	12	79%	279,273.20	55,456.80	12	49,727.40

Dept. of Revenue and Taxation	Pay Grade	Salary	Internal Revenue Service	Comparable Position	Adjustment	No. of Pos	%	Total	40% Increase	40% Increase	35% Increase
Taxpayer Service Division	P	36,850.00	Chief Taxpayer Service Division	Chief Taxpayer Service Division	54,931.00	1	149%	54,931.00	18,081.00	1	16,897.50
Income Tax Processing Supervisor	K	24,655.00	Senior Tax Specialist Supervisor	Senior Tax Specialist Supervisor	33,014.00	1	134%	33,014.00	8,359.00	1	7,675.50
Income Tax Service Specialist III	J	22,942.00	Senior Tax Specialist III	Senior Tax Specialist III	31,767.00	2	139%	63,534.00	16,824.00	2	15,358.40
Income Tax Service Specialist II	I	21,349.00	Senior Tax Specialist II	Senior Tax Specialist II	28,000.00	5	131%	140,000.00	36,000.00	5	32,750.75
Income Tax Service Specialist I	G	18,721.00	Senior Tax Specialist I	Senior Tax Specialist I	23,811.00	4	127%	95,244.00	23,523.00	4	21,212.20
Electronic Data Processing/SMCA Supv	M	28,878.00	Superior Computer Assistant	Superior Computer Assistant	48,992.00	1	170%	48,992.00	19,114.00	1	17,635.00
Tax Technician III	H	19,974.00	Tax Technician Computer Operator III	Tax Technician Computer Operator III	16,058.00	1	80%	16,058.00	7,083.60	1	6,499.90
Tax Technician II	F	17,635.00	Tax Technician Computer Operator II	Tax Technician Computer Operator II	11,641.00	4	65%	46,564.00	7,054.00	4	6,429.60
Tax Technician I	E	16,655.00	Tax Technician Computer Operator I	Tax Technician Computer Operator I	8,608.00	7	52%	60,256.00	9,862.40	7	9,079.10
Data Control Clerk II	E	16,655.00	Data Transcriber I	Data Transcriber I	12,620.00	1	76%	12,620.00	6,662.40	1	6,079.60
Records Management Officer	J	22,942.00	Records Management Officer	Records Management Officer	34,767.00	1	152%	34,767.00	9,825.00	1	9,079.60
Tax Accounting Technician Supervisor	K	24,655.00	Senior Tax Accountant Supervisor	Senior Tax Accountant Supervisor	33,014.00	1	134%	33,014.00	8,359.00	1	7,675.50
Tax Accounting Technician III	J	22,942.00	Senior Tax Accountant III	Senior Tax Accountant III	34,767.00	4	152%	139,068.00	36,000.00	4	32,750.75
Tax Accounting Technician II	I	21,349.00	Senior Tax Accountant II	Senior Tax Accountant II	28,000.00	2	131%	56,000.00	14,000.00	2	12,750.50
Tax Accounting Technician I	G	18,721.00	Senior Tax Accountant I	Senior Tax Accountant I	23,811.00	2	127%	47,622.00	9,825.00	2	9,079.60
Business Tax Service Supervisor	K	24,655.00	Business Tax Service Supervisor	Business Tax Service Supervisor	33,014.00	1	134%	33,014.00	8,359.00	1	7,675.50
Business Tax Service Specialist II	J	22,942.00	Business Tax Service Specialist II	Business Tax Service Specialist II	31,767.00	1	139%	31,767.00	8,359.00	1	7,675.50
Business Tax Service Specialist I	G	18,721.00	Business Tax Service Specialist I	Business Tax Service Specialist I	23,811.00	5	127%	119,055.00	29,502.50	5	26,751.25
Data Control Clerk	E	16,655.00	Data Transcriber I	Data Transcriber I	12,620.00	1	76%	12,620.00	6,662.40	1	6,079.60
Key Punch Operator	E	16,655.00	Key Punch Operator	Key Punch Operator	9,608.00	1	58%	9,608.00	5,162.40	1	4,729.60
Key Punch Operator	E	16,655.00	Key Punch Operator	Key Punch Operator	9,608.00	46	58%	442,968.00	83,491.20	46	76,980.15

**Department of Revenue and Taxation
Proposed Pay Adjustment FY09**

ATTACHMENT A

Dept. of Revenue and Taxation Regulatory Division	Pay Grade	Salary	State of California and Hawaii Comparable Position	Pay Grade	Salary	Comparable Position				40% Increase			35% Increase		
						Adjustment	No. of Pos	Total	%	Adjustment	No. of Pos	Total	Adjustment	No. of Pos	Total
Regulatory Program Administrator	O	33,811.00	Chief Examiner (CA)		90,696.00	56,885.00	1	56,885.00	168%	13,524.40	1	13,524.40	11,833.85	1	11,833.85
Regulatory Examiner Supervisor	N	31,064.00	Supervisor Examiner (CA)		68,172.00	37,108.00	1	37,108.00	119%	12,425.60	1	12,425.60	10,872.40	1	10,872.40
Regulatory Examiner II	M	28,678.00	Senior Bank Examiner (CA)		64,536.00	35,858.00	2	71,716.00	125%	11,471.20	2	22,942.40	10,037.30	2	20,074.60
Regulatory Examiner I	K	24,656.00	Assistant Examiner (CA)		46,254.00	21,598.00	3	64,794.00	89%	8,862.40	3	26,587.20	8,629.60	3	25,868.80
Compliance Inspector Supervisor	K	24,656.00	Supervisor Alcohol & Tobacco (CA)		76,656.00	52,000.00	1	52,000.00	211%	9,862.40	1	9,862.40	8,629.60	1	8,629.60
Compliance Inspector III	J	22,942.00	ABC Investigator III (CA)		64,658.00	41,714.00	1	41,714.00	182%	9,176.80	1	9,176.80	8,029.70	1	8,029.70
Compliance Inspector II	I	21,369.00	ABC Investigator II (CA)		58,546.80	37,257.00	1	37,257.00	174%	8,355.60	1	8,355.60	7,486.15	1	7,486.15
Compliance Inspector I	G	18,723.00	ABC Investigator I (CA)		46,824.00	28,101.00	3	84,203.00	150%	7,489.20	3	22,467.60	6,553.05	3	19,659.15
License Supervisor	J	22,942.00	Business Registration Supervisor (HI)		37,452.00	14,510.00	1	14,510.00	63%	9,176.80	1	9,176.80	8,029.70	1	8,029.70
License Officer II	H	18,974.00	Business Registration Assistant II (HI)		36,024.00	16,050.00	1	16,050.00	80%	7,989.60	1	7,989.60	6,990.90	1	6,990.90
License Officer I	F	17,635.00	Business Registration Assistant I (HI)		34,658.00	17,021.00	3	51,063.00	97%	7,054.00	3	21,162.00	6,172.25	3	18,516.75
Weights & Measures Inspector Supervisor	K	24,656.00	Measurement Standard Inspector VI (HI)		42,684.00	18,028.00	1	18,028.00	75%	9,862.40	1	9,862.40	8,629.60	1	8,629.60
Weights & Measures Inspector II	J	22,942.00	Measurement Standard Inspector III (HI)		33,756.00	10,814.00	1	10,814.00	47%	9,176.80	1	9,176.80	8,029.70	1	8,029.70
Weights & Measures Inspector I	I	21,369.00	Measurement Standard Inspector II (HI)		31,272.00	9,823.00	1	9,823.00	46%	8,555.60	1	8,555.60	7,486.15	1	7,486.15
							21	\$ 566,065.00			21	\$ 104,485.20		21	\$ 970,157.05

Dept. of Revenue and Taxation Motor Vehicle Division	Pay Grade	Salary	Department of Motor Vehicle (State of Hawaii) Comparable Position	Pay Grade	Salary	Comparable Position				40% Increase			35% Increase			
						Adjustment	No. of Pos	Total	%	Adjustment	No. of Pos	Total	Adjustment	No. of Pos	Total	
Motor Vehicle Program Administrator	O	33,811.00	Motor Vehicle Program Senior Administrator	R-1	82,000.00	48,189.00	1	48,189.00	143%	13,524.40	1	13,524.40	11,833.85	1	11,833.85	
Driver's License Examination Supervisor	J	22,942.00	Driver's License Senior Examiner Supervisor	P-1	47,800.00	24,058.00	1	24,058.00	105%	9,176.80	1	9,176.80	8,029.70	1	8,029.70	
Driver's License Examiner III	I	21,369.00	Driver's License Senior Examiner	N-1	34,000.00	12,611.00	2	25,222.00	59%	8,555.60	2	17,111.20	7,486.15	2	14,972.30	
Driver's License Examiner II	H	18,974.00	Driver's License Examiner II	M-1	29,000.00	9,026.00	1	9,026.00	45%	7,989.60	1	7,989.60	6,990.90	1	6,990.90	
Driver's License Examiner I	F	17,635.00	Driver's License Examiner I	L-1	23,000.00	5,365.00	4	21,460.00	30%	7,054.00	4	28,216.00	6,172.25	4	24,589.00	
Vehicle Registration Supervisor	J	22,942.00	Vehicle Registration Senior Supervisor	P-1	51,000.00	28,058.00	1	28,058.00	122%	9,176.80	1	9,176.80	8,029.70	1	8,029.70	
Vehicle Registration Officer III	I	21,369.00	Vehicle Registration Officer III	N-1	45,000.00	23,611.00	2	47,222.00	110%	8,555.60	2	17,111.20	7,486.15	2	14,972.30	
Vehicle Registration Officer II	H	18,974.00	Vehicle Registration Officer II	M-1	31,000.00	11,026.00	2	22,052.00	55%	7,989.60	2	15,979.20	6,990.90	2	13,981.80	
Vehicle Registration Officer I	F	17,635.00	Vehicle Registration Officer I	L-1	30,000.00	12,365.00	4	49,460.00	70%	7,054.00	4	28,216.00	6,172.25	4	24,693.00	
							18	\$ 274,747.00			18	\$ 148,501.20		18	\$ 128,388.55	
						Total	155	\$ 3,566,433.20		Total	155	\$ 1,421,142.80		Total	155	\$ 1,282,827.15